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BOSNIA: STATUS OF NON-COMPLIANCE WITH THE DAYTON ACCORDS

HEARING BEFORE THE SUBCOMMITTEE ON EUROPEAN AFFAIRS OF THE COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE ONE HUNDRED FIFTH CONGRESS

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C O N T E N T S

	Page
Abramowitz, Hon. Morton I., Acting President, International Crisis Group	25
<i>Review of the Dayton Peace Agreement's Implementation</i> , prepared by	
The International Crisis Group	27
Gelbard, Hon. Robert S., Special Representative of the President and the	
Secretary of State for the Implementation of the Dayton Peace Accords	3
Prepared statement	7
Heffernan, John W., Executive Director, Coalition for International Justice	31
Additional information submitted by Mr. Heffernan	33
Johnson, Harold J., Associate Director, International Relations and Trade	
Division, General Accounting Office	42
Prepared statement	45
Lautenberg, Hon. Frank R., U.S. Senator from New Jersey, prepared state-	
ment	60

BOSNIA STATUS OF NON-COMPLIANCE WITH THE DAYTON ACCORDS

THURSDAY, JULY 17, 1997

U.S. SENATE,
SUBCOMMITTEE ON EUROPEAN AFFAIRS,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 2:14 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Gordon Smith, presiding. Present: Senators Smith, Lugar, Hagel, and Biden.

Senator SMITH. Ladies and gentlemen, we welcome you to this hearing on the European Affairs Subcommittee of the Senate Foreign Relations Committee. I will begin with an opening statement.

We expect Senator Biden will join us. We are very pleased to have Senator Hagel with us. And I will begin as follows:

Today the committee is convened to discuss the current situation in Bosnia, particularly the degree to which the parties to the Dayton Accords are complying with the obligations laid out in the agreement. Our first panel will consist of Ambassador Robert Gelbard, the Special Representative to the President and the Secretary of State for Implementation of the Dayton Accords.

After we hear from Ambassador Gelbard, the committee will welcome Ambassador Morton Abramowitz of the International Crisis Group, Mr. John Heffernan from the Coalition for International Justice, and Mr. Jim Johnson from the National Security and International Affairs Division of the General Accounting Office.

The tragedy in the former Yugoslavia was one of the most brutal and widespread violence that has occurred on European soil since Hitler's army swept across the continent. During the most bitter days of the war, the Clinton Administration struggled to formulate a coherent policy, even as the architects of the war were implementing a ruthless strategy of ethnic cleansing throughout the country.

Even as this brutality was taking place, the administration continued to support an immoral arms embargo that prevented one of the parties from gaining the means to defend itself. After 4 years of warfare, the administration realized without United States leadership the conflict in Bosnia would continue to rage.

After several weeks of negotiation, on November 21, 1995, the parties to the conflict signed the Dayton Accords to end the fighting in the former Yugoslavia. Since that time, there have been significant accomplishments, most notably no major hostilities have erupted in Bosnia for over 18 months.

However, lasting peace will be impossible without an ongoing international presence if the Bosnian Serbs, Croats, and Muslims continue to defy the provisions of the Dayton Accords, including those relating to war criminals, refugee return, and the establishment of self-sufficient national institutions.

I was pleased to learn that Secretary Albright made a commitment this May that the administration will focus on the full implementation of the Dayton Agreement. Clearly the lack of such a commitment during the period that the Implementation Force was deployed in Bosnia made necessary a continued military presence after the IFOR mandate ended.

I am hopeful that promoting Dayton implementation this year will allow the seeds of peace to take root more firmly in Bosnia and ultimately permit the departure of U.S. troops in Bosnia in June 1998, as scheduled.

Today I look forward to hearing from Ambassador Gelbard about the concrete steps the administration is taking to accomplish this goal. I am particularly concerned with the continued presence of indicted war criminals in Bosnia. Reconciliation simply is not possible without the removal of these individuals from the country. They must be handed over to The Hague and held accountable for their actions.

I congratulate the British soldiers who have engaged in a successful operation to apprehend two such war criminals last week.

I hope this is a sign of more vigorous interpretation of the SFOR mandate with regard to the role that NATO forces should play in arresting war criminals in Bosnia.

However, in light of the stabbing of a U.S. soldier yesterday and several explosions directed against international organizations since the British operation, I urge the administration to make clear in no uncertain terms that retaliation against NATO troops for such operations will be harshly dealt with.

The issue of refugee return is also of utmost importance to a lasting peace in Bosnia. I am distressed at the atmosphere of fear and intimidation that prevents refugees from returning to their homes if these homes lie in areas controlled by another ethnic group.

The right of refugee return lies at the heart of the Dayton Accords. The United States must stress to the parties that upholding this principle is not optional. The United States has a critical role in ensuring that the parties to the Dayton Accords live up to their commitment.

Concurrently, we have an obligation to the American taxpayers that the \$7.7 billion we are spending on our operations in Bosnia is not contributing to just an expensive cease-fire.

I look forward to hearing from all of our witnesses this afternoon regarding their views of the status of Bosnia Serb, Croatian, and Muslim compliance with the Dayton Accords.

Senator Hagel, do you wish to make an opening statement?

Senator HAGEL. Only that I wish to thank you, Mr. Chairman, for holding the hearing.

I last saw Ambassador Gelbard in Bosnia 2 weeks ago and appreciated very much the time that you spent with our delegation, which included the Senate Majority Leader. And I know Senator Lott came away from that day in Bosnia with a very, very strong

base and sense of commitment that you and our people, our forces, our allies, have made to make a difference there.

And I would just say that I look forward to hearing from Ambassador Gelbard and the other witnesses. Thank you.

Senator SMITH. Thank you.

Ambassador, should the ranking member—Senator Biden—arrive, we will hear from him also and include his statement in the record, if he would wish that. Until that time, we look forward to hearing your testimony.

STATEMENT OF HON. ROBERT S. GELBARD, SPECIAL REPRESENTATIVE OF THE PRESIDENT AND THE SECRETARY OF STATE FOR IMPLEMENTATION OF THE DAYTON PEACE ACCORDS

Ambassador GELBARD. Thank you very much, Mr. Chairman.

And thank you, Senator Hagel, for your very kind words.

I appreciate this opportunity to appear before the subcommittee to discuss the current situation in Bosnia and our efforts to accelerate peace implementation there.

With your permission, I would like to enter my entire statement in the record.

Senator SMITH. Without objection.

Ambassador GELBARD. Thank you, sir.

As Secretary Albright emphasized in her May 22 speech, success in Bosnia is essential to U.S. security and foreign policy interests in Europe. Our efforts to date to secure peace in Bosnia should be a source of pride. The U.S.-led international effort brought the war to an end and has kept the peace in Bosnia.

The Bosnian mission has re-energized NATO becoming the model of multi-national military cooperation. We are rebuilding the country and returning people to their homes. National elections were held and the governmental institutions mandated by Dayton have begun to function.

We have given the people of Bosnia something all people deserve, the chance to live in peace and the prospective of a better future.

Obviously, much remains to be done, however. When I assumed this job 3 months ago, I was asked by the President to undertake a comprehensive administrative review of our Bosnian policy with the goal of accelerating and strengthening the peace implementation process.

As a result of this review, we have renewed our commitment to fully implement Dayton, to strengthen multilateral efforts and to use every single point of leverage available.

We are, as a result, more aggressively targeting economic assistance for those who support Dayton and will continue to deny political participation and other privileges to officials who obstruct Dayton.

Our top priorities in Bosnia included, first, bringing indicted war criminals to justice; second, improving the ability and willingness of local law enforcement authorities to provide public security for all Bosnians; third, promoting military stability to minimize the prospects for renewed fighting; fourth, advancing the development of democratic institutions that govern in accordance with the rule of law; fifth, securing the safe return of refugees and displaced per-

sons to their homes and to enable Bosnians to move freely throughout their country; six, enhancing economic reconstruction and commerce between the two entities, creating a solid foundation for a lasting peace.

We have launched an intensive campaign to reinvigorate the international effort since then, and our allies have been completely receptive to these stepped-up efforts.

In Sintra, Portugal, at the end of May, the Bosnian peace implementation ministerial council unanimously endorsed a declaration that jointly demands far greater cooperation from all the Dayton parties, setting specific deadlines for achieving implementation milestones.

Subsequently, the summit of the aid in Denver reaffirmed these principles in very strong terms. Then, and most recently at the NATO summit in Madrid last week, another clear statement was issued regarding our mutual determination to carry out our policy fully with particular emphasis on the current situation in the Republika Srpska.

During her recent visit to Bosnia, Croatia, and Serbia, Secretary Albright also personally stressed the need for accelerated peace implementation. So have I in my five visits to Bosnia in my 3 months in this job.

The leaders in Bosnia, Croatia, and Serbia now understand that we intend to hold accountable for the lack of progress in meeting any Dayton goals. Secretary Albright drove home these points to Presidents Tudjman and Milosevic that their nations cannot hope to join the West, or in the case of Milosevic the rest of the planet, unless they demonstrate a genuine commitment to Dayton, democracy, and basic human rights.

I have reiterated that point during my most trips to the region with both of them, as well as with all of the leaders of Bosnia. Our recent efforts to build international support to delay international loans to Croatia are evidence of our resolve on this front until Croatia does what they signed up to do.

Since Sintra, we have had a number of important implementation successes, many of them essential to building the national institutions and infrastructure envisaged in Dayton. After a good deal of U.S. pressure, the Bosnian national parliament adopted a package of basic economic laws which help to bind together Bosnia as a single country. This includes for the first time a national budget, a national customs and tariff regime, a single national central bank, single currency.

Bosnia reached the London Club agreement with its commercial creditors, deeply reducing its debt burden and regularizing its relations with the international financial community.

They have secured agreement on the outlines of an IMF letter of intent. As a result of this progress, we will hold a donors conference next week, which should garner close to \$1.4 billion in pledges for Bosnian reconstruction.

OSCE has completed the registration of over 2.4 million Bosnian voters for September municipal elections. Under the able leadership of Ambassador Robert Frowick, the OSCE thwarted significant efforts at fraud and manipulation during the registration process for all three parties.

Refugee returns have begun to develop hopeful more backup in the federation in many communities, including particularly the middle of Bosnia, Canton, Stolac, Vares Bgwano.

Communities in the Republika Srpska have shown a significant desire to participate in the U.N.'s open cities program. And President Plavsic is demonstrating concrete support to help make this happen.

Unfortunately, though, all three parties continue to show reluctance in this area, and I particularly look to the Muslims to take unilateral action undiluted with any links to anything else to help restore Sarajevo to its previous multi-ethnic status. This would have great symbolic importance.

Bosnian Muslim and Croat officials in Mostar, Neretva Canton, has signed a critical agreement to integrate the police, clearing the way for more rapid vetting and integration of local police throughout the Federation under the auspices of the International Police Task Force with training and equipment provided largely by the United States.

And international forces, as you are well aware, captured indicted war criminals in the Bosnian-Serb entity near Prijedor and the Croatian-Serb area of Eastern Slavonia near Vukovar before that.

I would like to say a few words in particular on the issue of war crimes and the importance of the International War Crimes Tribunal in the former Yugoslavia. Individuals, not nationalities, ethnicities or religions, must be held responsible for the crimes they committed against their neighbors and countrymen during the war. Bringing war criminals to justice fulfills the basic dictates of morality.

But it also it makes it hard to lay blame on an entire population or ethnic group, the type of collective blame which can become the source of future conflict. The recent NATO operation to capture indicted war criminals in Bosnia was within SFOR mandate and provides clear evidence of international resolve to see justice done now and in the future.

Our position on this issue is very clear. The parties to Dayton are responsible for turning indictees over to the tribunal. Some have complied fully; others not at all. If local authorities continue to refuse to abide by their obligation to arrest indicted war criminals, we will continue to look for other ways to secure their capture. And this includes not just Bosnia, but Croatia and Serbia.

As many of you are aware, there is a political crisis unfolding in the Republika Srpska. An increasingly anti-democratic climate and abuses of police authority, reminiscent of the worst of Stalins days, are undermining basic human rights and implementation of the Dayton Agreement.

We are working actively to ensure respect for democratically elected authority and the expansion of independent media to provide objective information to the people of the Republika Srpska.

The Republika Srpska President Plavsic's message, that a small group in Pale is enriching themselves while the rest of Republika Srpska is sinking deeper into isolation and poverty, has hit a responsive chord there.

It is time for Radovan Karadzic to be delivered to The Hague and for the Republika Srpska government to function on the basis of the rule of law.

Until that happens, the Republika Srpska will be denied its share of the considerable international reconstruction assistance presently available to Bosnia. Our allies agree on this point, and President Plavsic, unlike their hard line adversaries, seems willing to put the larger interests of the Bosnian-Serb people ahead of the personal greed of the few in Pale.

Our successes are considerable, but obstacles to Dayton remain. Many leaders in each of the ethnic communities have failed to move beyond the war or are working for personal, political, and economic gain.

Elements of the Bosnian-Serb leadership have been especially recalcitrant, but Bosnian Croat and Bosniak leaders are also guilty of creating obstacles to refugee return and freedom of movement.

Dayton is clear: everyone, as you said, Mr. Chairman, has the right to return to their homes. But the reality is quite different. More than 1.6 million Bosnians remain displaced. Approximately 70 percent come from areas where they would now be in the ethnic minority.

The United States is currently spearheading an effort to promote the return of ethnic minorities. United States officials, including the Secretary of State, have placed significant pressure on Bosnian officials to allow ethnic minorities to return to their homes.

Our government has also provided incentives to communities that accept refugees from all ethnic groups in order to make this a reality. It is still too early to judge, but more minorities may return to their homes in both entities this year than we had earlier thought possible.

While the numbers are not yet huge, these returns will help destroy the myth that Bosnians from different ethnic groups can no longer live together.

The United States made a long-term commitment to peace in Bosnia and the reintegration of Bosnia to Europe. We have invested U.S. prestige and resources in creating a peaceful, stable Bosnia.

This long-term commitment means that we will continue to stay engaged in Bosnia, providing assistance and international leadership well beyond the end of the SFOR mandate in June of next year.

The SFOR mission will end in June 1998. It is essential, therefore, that we focus our energy between now and then on the task at hand: rapid and full implementation of the Dayton peace plan so that the process of nation building can proceed without the threat of renewed fighting.

Our ability to achieve progress in the coming months will determine the security environment next year and will dictate what type of international presence is required.

Despite our best efforts, Bosnia will not enjoy a truly sustainable peace until its people and its leaders demonstrate the same determination to make Dayton succeed.

The United States has made clear its commitment to help, and our firm belief that success in Bosnia is in the interest of the U.S.,

of European security and of the Bosnian people. We also have made clear that they must do their part.

Thank you, Mr. Chairman.

[The prepared statement of Ambassador Gelbard follows:]

PREPARED STATEMENT OF ROBERT S. GELBARD

Mr. Chairman, thank you for this opportunity to appear before the subcommittee to discuss the current situation in Bosnia-Herzegovina and our efforts to accelerate peace implementation there.

As Secretary Albright emphasized in her speech on the *U.S.S. Intrepid* on May 22, success in Bosnia is essential to the protection of U.S. security and foreign policy interests in Europe. Instability in Bosnia threatens stability in Europe and undermines our efforts to create a unified, peaceful, and prosperous Europe as a global partner for the U.S. As we expand NATO and forge a new security architecture in Europe, Bosnia is our first major test.

We have much to be proud of. The international effort led by the U.S. has kept the peace in Bosnia for more than eighteen months, after three years of terrible war. IFOR—and now SFOR—have done a spectacular job. The Bosnia mission has reenergized NATO and is a model of multinational military cooperation.

Through the international assistance effort, we have successfully begun the process of rebuilding the country and returning people to their homes. National elections were held and the governmental institutions mandated by Dayton, though still fragile, have begun to function. We have given the people of Bosnia something all people deserve—the chance to live in peace and the prospect of a better future.

Much remains to be done, however. That is why, as soon as I came on board as Special Representative for Dayton Implementation, the administration undertook a comprehensive interagency review of our Bosnia policy, with the goal of accelerating and strengthening the peace implementation process.

The result of this review was a renewed commitment to full Dayton implementation, and a renewed conviction that the task was achievable given allied cohesion and a willingness to fully use our considerable leverage in the Balkans. We intend to use every point of leverage available, including more aggressively targeting economic assistance to those who support Dayton and denying political participation and other privileges to officials who obstruct Dayton.

Our priorities in Bosnia are:

- (1) bringing indicted war criminals to justice;
- (2) improving the ability and willingness of local law enforcement authorities to provide public security for all Bosnians;
- (3) promoting military stability to minimize the prospects for renewed fighting;
- (4) advancing the development of democratic institutions that govern in accordance with the rule of law;
- (5) securing the safe return of refugees and displaced persons to their homes and enabling Bosnians to move freely throughout their country; and
- (6) enhancing economic reconstruction and inter-entity commerce.

We have begun an intensive campaign to reinvigorate the international effort. Several of our allies have recently also reviewed their Bosnia policy and reached conclusions similar to our own. In Sintra, Portugal at the end of May, members of the international steering board governing Bosnia peace implementation unanimously endorsed a declaration—based largely on the results of our policy review—that demands far greater cooperation from the Dayton parties and sets specific deadlines for implementation milestones. For example: after August 1, the international community will only deal with Bosnian ambassadors appointed by the new central government based on a multiethnic formula; after August 1, if the Bosnian Civilian Aviation Authority is not reconstituted and operational, the steering board will recommend that international authorities cease to cooperate with the existing body.

Our message of accelerated peace implementation was stressed during Secretary Albright's visit to Bosnia, Croatia, and Serbia following the Sintra meeting, and was subsequently endorsed by the leaders of the international community at the G-7 summit in Denver and the NATO summit in Madrid.

Secretary Albright made clear to leaders in Bosnia, Croatia, and Serbia that we hold them accountable for the lack of progress in meeting the Dayton goals. In particular, Secretary Albright drove home the point to Presidents Tudjman and Milosevic that their nations cannot hope to join the West unless they demonstrate a genuine commitment to Dayton, democracy, and basic human rights. Our recent

efforts to build international support to delay international loans to Croatia should be seen as evidence of our resolve on this matter.

Since Sintra, we have had a number of important implementation successes, many of them essential to building the institutions called for in Dayton:

- The package of basic economic laws was passed by the Bosnian national parliament.
- Bosnia reached a London Club agreement with its commercial creditors, deeply reducing its debt burden and regularizing its relations with the international financial community.
- The outlines of an agreement with the IMF have been reached. This clears the way for a new donors conference, scheduled for next week. At the conference, we expect pledges by the international community of \$1.4 billion to continue the reconstruction of Bosnia.
- Registration for the municipal elections was successfully completed, resulting in up-to-date voter lists. Over 2.4 million Bosnian voters registered. The OSCE, under the able leadership of Bob Frowick, managed this process and thwarted significant efforts at fraud and manipulation.
- Agreement has been reached under the "Open Cities" program for three municipalities in the Federation to accept minority refugee returns. More such agreements are expected soon.
- An agreement to integrate the police in the mixed Bosniak-Croat Neretva Canton was signed, clearing the way for more rapid vetting and integration of local police throughout the Federation under international auspices.
- Indicted war criminals were captured by international forces in the Bosnian-Serb entity near Prijedor and in the Croatian-Serb area of Eastern Slavonia near Vukovar.

I would like to say a few words, in particular, on the issue of war criminals. It is imperative that we establish the principle of individual responsibility, not only to fulfill the basic dictates of morality, but also to avoid the collective blame that can become a source of future conflict. We must drive home to the Bosnian people the point that individuals, not populations, were responsible for the horrible crimes witnessed during the war.

The recent capture of indicted war criminals in the Republika Srpska and Eastern Slavonia is evidence of international resolve on this issue. The position of the United States on this issue is very clear. For all parties, we have made compliance with the War Crimes Tribunal a prerequisite to our assistance. If local authorities refuse to abide by their obligation to arrest indicted war criminals, we will continue to look for other ways to secure their capture.

We are very concerned by the current political crisis in the Republika Srpska (RS), where an increasingly anti-democratic climate and abuses of police authority are undermining basic human rights and implementation of the Dayton agreement. We are working actively to ensure respect for democratically elected authority and the expansion of independent media to provide objective information to the people of the RS. RS President Plavsic's message—that a small group in Pale is enriching themselves while the rest of the RS is sinking deeper into isolation and poverty—has hit a responsive chord in the RS. It is time for Radovan Karadzic to be delivered to The Hague and for the RS government to function on the basis of the rule of law, rather than as the private fiefdom of corrupt war-profiteers.

As long as the RS refuses to implement key aspects of the Dayton agreement, it will not benefit from the considerable international reconstruction assistance presently available to Bosnia. There is complete agreement between us and our allies on this point. President Plavsic seems to have also understood this message, and seems willing to put the larger interests of the Bosnian-Serb people ahead of the personal greed of a few in Pale.

Our successes, so far, have come through the hard work and cohesion of the international community. Considerable obstacles remain, however, to the goals laid out in Dayton. Many leaders in each of the ethnic communities, unfortunately, have not yet moved beyond the war. Many of these same leaders are working for personal political and economic gain, rather than for the creation of a stable Bosnian state. The Bosnian Serb leadership has been especially recalcitrant, but Bosnian Croat and Bosniak leaders are also guilty of creating obstacles to refugee return and freedom of movement. We will continue our pressure, and as necessary increase that pressure, on all parties to fully comply with both the letter and the spirit of the Dayton Agreement.

One of the continuing tragedies of the Bosnian war is the large number of refugees and internally displaced people. Dayton is clear: everyone has the right to return to their home. But the reality is quite different. More than 1.6 million Bosnians

remain displaced. Approximately 70 percent of them come from areas where they would now be in the ethnic minority.

The U.S. is currently spearheading an effort to promote the return of ethnic minorities. U.S. officials—including the Secretary of State—have placed significant pressure on Bosnian officials to allow ethnic minorities to return to their homes. The U.S. Government has offered incentives to communities to accept the return of refugees and displaced persons from all ethnic groups.

While it is still too early to judge, recent positive developments suggest that more minorities may return to their homes this year than we had earlier thought possible. We are funding minority return programs in five communities: three in Bosniak-majority areas, one in a Croat-majority area, and one in the Republika Srpska. Intending returnees from the minority ethnic group travel regularly and freely to all five locations. We anticipate that these programs will enable almost 200 families—close to a thousand people to return safely to their former homes in areas where they will be in the ethnic minority. Programs funded by the European Community and the UN will enable additional minorities to return to their homes in these and other communities.

The significance of these returns for Bosnia's future is far greater than the numbers suggest. Our objective this year is to destroy the myth that Bosnians from different ethnic groups cannot live together. The safe return and reintegration of several hundred ethnic minorities to areas controlled by each ethnic group will contribute significantly to the achievement of this objective.

One of the priority areas for refugee returns is in and around the city of Brcko. Under the leadership of the Deputy High Representative and International Supervisor for Brcko, Bob Farrand, we are committed to making Brcko a model of reconciliation and reintegration in Bosnia. We are targeting international resources, both funding and manpower, on Brcko to bring this about.

The U.S. has made a long-term commitment to peace in Bosnia and the reintegration of Bosnia into Europe. We have invested a great deal of U.S. prestige and resources into creating a peaceful, stable Bosnia. This long-term commitment means that we and our allies will continue to stay engaged in Bosnia to provide assistance and international leadership well beyond the end of the SFOR mandate in June of next year.

The President has always said that the SFOR mission will end in June 1998. It is essential, therefore, that we focus our energy between now and then on the task at hand: rapid and full implementation of the Dayton peace plan. Municipal elections are coming up in September, the final Brcko arbitration decision is scheduled for next March. The result of these and other events will determine the security environment next year and what type of international presence is required at that time.

The international community cannot bring peace to Bosnia by itself, only the people of Bosnia can truly bring peace to Bosnia. But we have made a commitment to help and we will follow through on that commitment. The success of our mission in Bosnia is in the interest of the Bosnian people, in the interest of European security, and in the national interest of the United States. Thank you.

Senator SMITH. Thank you very much, Ambassador.

We are very pleased to be joined by two senior distinguished colleagues, the ranking member Joe Biden and Dick Lugar from Indiana. Senator Biden, do you have an opening statement?

Senator BIDEN. Well, what I will do, Mr. Chairman, and thank you very much, I will make a brief opening statement and forego my questions to the end, so I do not take up both here.

Mr. Chairman, I apologize to the Secretary for being a little late, although I caught most of his testimony.

We have, to state the obvious, four excellent witnesses today. We just heard from one, and then we will hear from the other three.

We are rapidly approaching the moment of truth in Bosnia. With less than 1 year before the scattered departure of U.S. ground troops, the fundamental policy question remains, what it has been for the last 6 years, and that is, is putting a peaceful, democratic, multi-ethnic Bosnia into place important enough to the United States as the head of an international coalition to devote enough resources to make it happen.

Mr. Chairman, until now I regret to say that our answer, though unacknowledged, I think, has been no. True, our significant and, I think, really incredibly capable fighting women and men at the lead, first in IFOR and then in SFOR, have succeeded in completely separating the warring armies and putting most of the heavy weaponry in containment sites.

But less noticed, but equally heroic, has been the contribution of USAID professionals in delivering reconstruction assistance to thousands of Bosnians in desperate need of shelter. Unfortunately, however, we have failed woefully to enforce critical mandates of the Dayton Accords.

The overwhelming majority of displaced persons, as you have pointed out, and refugees have been unable to return to their homes if they lie in territory controlled by another religious group.

And this sad fact means, unfortunately, that the well-intended and sorely needed reconstruction assistance that USAID has delivered has served to reinforce the results of the vile ethnic cleansing that was carried out during the war.

Moreover, as everyone in the room knows, the efforts to apprehend indicted war criminals until now has been only minimally successful. I credit, quite frankly, Secretary Albright's last visit to Bosnia as the reason that everyone's backbone got stiffened on this.

I firmly believe that Radovan Karadzic, whom I met 4 years ago, and at that time he asked me, along with Milosevic, what I thought of him, and I said, to his face, that I thought he was a war criminal and should be tried as one. I said it then, I say it now.

I think it is essential, quite frankly, as the Secretary may or may not agree. I think absent the apprehension of Karadzic and Mladic and their trial before the International Court at The Hague, the likelihood of the Republika Srpska even being able to stumble along with its present leadership is remote. And the likelihood of there being any peace in the region after we leave is nonexistent in my view.

We obviously have the means to capture these two criminals. Only the political will has been lacking. I commend our British SFOR partners for their exploits last week and for which we provided logistical support. And I hope that we will be able to coordinate with our French SFOR partners to move against Karadzic and Mladic.

And I am not unaware, as we all are, of the press accounts of the threats on the part of the Serbs. That is an old story. They are a bunch of thugs. They have been doing that all along, and every time we have stood up to them, we have prevailed.

But I do not want anyone here to suggest that because we have done this, it means that there will not be retaliation. There may very well be. There may very well be some deaths. There may very well be some negative consequences. But no one, including me, has suggested that this is cost free.

Everybody there knows it is a dangerous operation. And I pray to God that no one, and particularly no American, loses their life or limb as a consequence of what has to be done.

But it begs the question to suggest that because of a major retaliation, we should not act. That was the story that existed for 3 years and brought about, I think, the delay in action when we had

British and French forces on the ground, and every time we would suggest that they move, the concern of retaliation was raised, which was a legitimate concern. And we essentially were numbed into doing nothing.

And it seems to me, Mr. Chairman, we must be unrelenting in our pressure, consistent with what the Secretary said, our pressure on Mr. Tudjman in Croatia. I have used this phrase before, and my staff and wife do not like me to use it, but he is no box of chocolates either. I mean, this guy is not one of the good guys. And I had occasion to tell him that, too.

And the fact of the matter is, he is an impediment, not a positive force at this point. And I think he and Milosevic are still waiting for the Dayton Accords to fall apart to fulfill what they had in mind at the front end, and that is to carve Bosnia up into two separate entities, or three separate entities.

And so we have to keep the pressure on him and his forces in Herzegovina to become cooperative partners in the Federation and to hand over indicted war criminals on Croatian territory. This is not just the Serbs.

So I commend you, Mr. Chairman, for holding this important hearing. I am eager to hear the testimony from the other witnesses.

And as I said, I will—you were gracious enough to let me deliver my statement late. I will waive against questioning and question last, so I do not trespass too much on the committee's time.

Senator SMITH. Thank you, Senator Biden. Senator Lugar.

Senator LUGAR. Thank you very much, Mr. Chairman. I have a brief statement.

Everyone agrees that the NATO at IFOR and the NATO at SFOR peacekeeping forces have performed magnificently. There have been no combat-related U.S. fatalities since the initial deployment of IFOR to Bosnia in mid-December 1995. IFOR and SFOR have enforced the cease-fire in the buffer zone separating the warring factions and monitored compliance with the terms of the peace agreement forged in Dayton.

The peacekeepers have helped protect civilians and other personnel working to reconstruct Bosnia. The initial deployment of IFOR was scheduled to terminate after 1 year, but implementation of the Dayton Accords proved to be so difficult and the likelihood of renewal of fighting so certain that the follow-on stabilization force was approved by NATO ministers last December.

The U.S. force was substantially reduced to about 8,500 troops, most of them in Bosnia. President Clinton announced that the duration of this new deployment would be for 18 months or until the end of June 1998.

More recently, the President stated that some international force presence may be needed in Bosnia for sometime after June 1998. Both the House and the Senate, however, recently passed legislation agreeing to the June 1998 troop pull out date, though the Senate version, unlike the House, does not terminate funding after that time.

Mr. Chairman, we all know the non-military mandate of Dayton has not gone particularly well or especially smoothly. Secretary Holbrook told this same subcommittee last fall that absent an

international force presence in Bosnia, lethal fighting would almost certainly take place with devastating results.

I fear the situation has not changed much, nor is it likely to change very much for the better between now and next June. I have followed events in Bosnia closely, and this is my summation of the situation.

Under freedom of movement—there is still no real freedom of movement across inter-entity lines. Displaced persons cannot return home. And those who fled Bosnia to other countries during the war are now being sent back only to find their homes destroyed or occupied by others.

There is no secure environment for the return of refugees. The bitterness, anger, and despair have deepened under this lack of progress and large parts of Bosnia-Herzegovina are still dominated by Serbia and Croatia.

Under elections—Bosnian elections were held last fall, but municipal elections were twice postponed because of anticipated violence and widespread fraud. Once elected to municipal posts, there is no certainty that those minority elected officials will be allowed to serve or, if permitted to serve, would be safe in doing so.

There is no secure environment for the installation of elected officials. The seemingly intractable problems in Brcko are the most acute, and no resolution to the incendiary situation there appears to be imminent.

Under the category of war criminals—scores of indicted war criminals roam the countryside, living off the misery of their countrymen. They are protected by well-armed thugs and friendly authorities, while undermining legitimate political authority.

They are running criminal activities which sap what little economic vitality exists. They flout the international communities, snub their noses at SFOR troops, ignore all semblance of the rule of law and retard progress toward reconciliation and reconstruction.

I am convinced there can be no real progress toward peace and reconciliation in Bosnia as long as these war criminals remain at large and pose an immediate and continuing threat to the peace process. The Dayton peace process and the existence of war criminals are incompatible.

Under reconstruction—while there has been some modest success in housing, these have been offset by a dismal performance, including the absence of a viable professional police force. There has been minimal progress in building the political and civic institutions needed for a more tolerant and multi-ethnic state.

There have been very few projects that crossed inter-entity lines, projects that if successful could begin to bind the parties together, heal the breach that exists among the ethnic groups and create a real stake in a future integrated state.

Under rearmament—reducing the lethal environment in Bosnia was to be accomplished by reducing the number of heavy weapons and by balancing the forces with an international equip and train program to the federation side.

There have been credible reports that the parties have been stockpiling weapons and preparing police forces as combat units in preparation for renewed fighting once the SFOR departs. And once

SFOR departs, many, if not most, observers predict the violent conflict will start all over again.

Now, Mr. Chairman, not all the record is as dismal as this. As Senator Biden has pointed out, Secretary Albright's proactive leadership on this issue has been reassuring. And suffice it to say that a failure to assure the Dayton plan in Bosnia would not be read as just a failure in the Balkans.

It would be read as a failure of NATO and a failure of U.S. leadership. There can be no positive consequences for U.S. interests from that.

If the Dayton Accords are not successfully implemented because of the activities of the war criminals, because ordinary citizens cannot enjoy freedom of movement, because reconstruction projects do not take hold or because revenge and hatred still dominate the sites of leadership, or because the international community has diverted its attention, then we can expect more turmoil in Europe and much more stress within the NATO alliance.

At a minimum, we need to pay greater and more serious attention to implementation of the Dayton Accords, and to foreign policy matters in general. That has been lacking for some time as we have become absorbed in so many other matters.

I fear indifference to Bosnia and to the success of the Dayton Agreement is creeping into our priorities here in the United States.

Mr. Chairman, I congratulate you. I am pleased you called this very important and timely hearing.

Senator SMITH. Thank you, Senator Lugar.

Mr. Ambassador, I really have but two questions. My first one my colleagues have spoken of very eloquently. That is the issue of war criminals. When the President went to The Hague to celebrate the Marshall Plan, I had the honor of accompanying him.

And while he was engaged in his level of meetings, I went to the War Tribunal and talked to the officials there.

And they were very frustrated. They had over 70 indictments, but a docket that was emptying quickly. They wanted work.

The British have obviously added one person to that docket for trial. And I wonder, as has been stated very well, whether peace really has any chance if we do not go get war criminals, or are we not then—if we do not, are we just engaging in a very expensive cease-fire?

Ambassador GELBARD. Mr. Chairman, you will have noted that in my opening statement I put the issue of war criminals first on the list of priorities. I believe that along with the issue of public security, which is to say a dramatically reformed police system throughout Bosnia, that these two issues of war criminals and police are not just priorities but conditions precedent to being able to implement the rest of the Dayton Agreements.

There is no question that the continued presence of Radovan Karadzic in Bosnia, particularly in the Republika Srpska, is creating a fundamental obstacle to implementation past a certain point on a whole range of issues.

The decision by NATO, by the NATO Secretary General, to order the operation in Prijedor—and I have to emphasize this was a NATO decision. It was not a British decision—was taken in care-

fully and taken in accordance with a careful look and a clear look at the SFORs mandate.

We will continue to look at this issue on a case-by-case basis. In the first instance, it is the obligation of the parties to comply.

As I mentioned in my statement, too, and it has often been neglected, there was an earlier operation involving a sealed indictment just a couple of weeks before involving a man named Zlatko Dukmanovic in Eastern Slavonia, who we believe was one of the principal authors of the violence in Vukovar in Eastern Slavonia in 1991.

When I met with Munkor Krieshnic, the Serb member of the joint presidency in Bosnia, after Dukmanovic was arrested there, he expressed enormous indignation about the fact that there could be a secret list. I explained to him that in the United States and many other countries the use of sealed indictments is pretty common.

And I mentioned that in my previous position as Assistant Secretary for International Narcotics and Law Enforcement, I was pretty familiar with that. And we think it is a good way to proceed, something we have discussed with the prosecutor.

We want to continue to support the tribunal in every way possible, and we intend to do so. We obviously do not want to talk about what the options are for the future.

Senator SMITH. But you are assuring us that you are proactively—

Ambassador GELBARD. We are.

Senator SMITH.—engaged in the apprehension.

Ambassador GELBARD. We are active in every aspect of thinking on this issue. Senator Biden mentioned Croatia. I had mentioned Croatia in my own statement. I fully agree with you that the Croatian government is not doing enough.

And that is why the U.S. Government has taken the lead in putting enormous pressure on Croatia, particularly, but not only, to use its influence to hand over Bosnian-Croat indictees, as well as to turn over people who are in their own territory.

We hope to get strong support from our allies on this. And we are looking for every means possible to assure that these people will be turned up for trial in The Hague.

Senator SMITH. Second, as you listen to Senator Lugar's list of the difficulties, I wonder how realistic June 1998 will be in terms of withdrawal. And yet that is the date that the American people have been told we will in fact withdraw.

But I wonder if, in the administration or in NATO, are there active plans ongoing now about our staying beyond that.

Ambassador GELBARD. Well, there are sensitive issues here. I fully agree with Senator Lugar that there has not been nearly enough—well, all of you have said have said this, but I said it myself, that there has not been nearly enough progress in implementation of the agreements.

We should not allow ourselves to fall into a trap, though, of blaming ourselves. Fundamental in the first instance, the obligations are with the parties to comply. These are the three parties within the country and Croatia and Serbia outside the country.

They have tried to engage in mutual blocking of efforts, game playing of all kinds, to prevent infrastructure development to prevent all the kinds of fundamental priorities that Senator Lugar and all the rest of you, and I, mentioned in our statements.

The mandate for SFOR ends in June 1998. We have to concentrate on the task at hand, which is doing as much as we can between now and June 1998. But our commitment does not end then. What we need to do is try to develop the process to the point that as many of the various aspects of this become self-sustaining and the parties understand that they themselves have an enormous amount to lose if they are not complying.

A military presence is not the only factor here. The international community will walk away with its money, will walk away with other kinds of support, if they do not comply.

At the donors conference next week, I do not expect that we are going to be prepared to give the Pale group money out of our pockets given their corruption and given their illegal behavior.

What I hope to be able to do, and I will be the head of the U.S. delegation, is perhaps establish an escrow account for them and say: We know you need money. The poverty level in the Republika Srpska has increased dramatically.

We do not want to see poverty, but we are not going to give you our taxpayers money until you comply with the agreements, and not selectively either.

Senator SMITH. Thank you. Let us go to Senator Hagel. Do you have some questions?

Senator HAGEL. Mr. Chairman, thank you.

If I could follow on to what the Chairman was talking about, Mr. Ambassador, in your remarks and what you were referring to about what happens after June of next year, could you take us through a little bit of what you would see as how we would stay behind, the infrastructure of people, the mission, troops in southern Hungary?

Certainly you have to think about that a little bit. What kind of presence are you and the administration thinking about that you would leave behind?

Ambassador GELBARD. I have to admit, Senator, that we have not yet started thinking about this issue or having any formal discussions about it. I am sure there is some thinking going on in individuals' minds, but there have been absolutely no formal discussions about any such possibility yet.

What is clear is that we are concentrating on what is happening between now and June. And that is going to be hard enough, to be very honest with you.

Senator HAGEL. Well, you know, I was there 2 weeks ago and spent some time with you. When we spent the day there, it was obvious that this was not a kind of a game.

And I think everybody who has been there understands this kind of mission, that in fact after that magic date comes in June, something is going to have to be left behind, some kind of an infrastructure, because we have a rather significant investment, as you know more than anyone, as do our allies.

And I would hope that you start to focus on some of that, because this is all part of the planning process. And you are talking about

a donors conference coming up next week. If I was in the position of being a donor or entertaining the possibility of investing in that part of the world, I would want to ask that question, and I would want some answers.

And I would think—Bob, you know this, and I know that you cannot say as much as maybe you would like to say here, but this is to me very critical, because if you expect support from this Congress, and you have already seen what has happened, as Senator Lugar has talked about, those are the kind of questions that are going to be asked, hard questions like that, if nothing else to protect our investment over there.

Ambassador GELBARD. Senator, we are very well aware of that, obviously. It is clear that there will be an international presence in Bosnia after June 1998.

We are still working on the issues right now of both the immediate crises, particularly things such as the current Republika Srpska crisis that you and I discussed before the hearing began, the issue of security for the international community, which is a problem which we encounter today, unfortunately.

Looking out over the next several months, in terms of SFOR and troop levels, as well as concentrating with real seriousness on accelerating the civilian implementation as much as possible, we certainly will be addressing the future, there is no question, in the coming months. And I would be very happy to come back and appear before this committee at that time. But as I say, we have not quite yet.

Senator HAGEL. Changing the subject a little bit: return of ethnic minorities. Could you give this committee a little more definition than what you alluded to in your statement?

Ambassador GELBARD. This is a very high priority for us. We have been working as closely as possible with the U.N. High Commission on Refugees to make sure that all our programs are in synch.

We have the added advantage of leverage through the use funds, giving aid or not giving aid.

Recently, in fact, I met with some of the Bosnian-Croat leadership and explained to them that we had made offers to a number of communities in Central Bosnia to provide significant economic reconstruction assistance, assuming they agreed to the return of refugees and displaced persons. This included Muslims and Serbs.

Most of them did agree; some did not. The ones that do agree get money; those that do not get nothing. We are now on the edge of having a plan with the Croats for refugee returns for the entire Canton of Middle Bosnia. That would be a very important step.

There have been, I think, about a dozen communities that have now agreed to such planning, and in even some of the communities that have surprised people.

There is a town called Stolac, S-t-o-l-a-c, where there has been a dramatic flow of return of Muslim refugees recently. There have been other towns held by the Bosniaks, the Muslims, Vares Bgwano, where we have seen big increases of returns of Serbs and Croats.

So we are keeping—we want to keep the pressure up to make sure this works, and we have been very pleased to see that our European allies have very much the same view we do.

Significant problems remain in the Republika Srpska, as I alluded to in my statement. We have been working on what we call this open cities program, and we have gotten agreement of a number of mayors in key towns, such as Shepovo. Unfortunately, but not surprisingly, the Pale group have opposed this. Mrs. Plavsic supports it. And we are working to try to make this a reality.

The key problem is in Brcko, as you know. And there we have concentrated a lot of U.S. efforts with an American citizen, a Foreign Service colleague of mine, as the supervisor for Brcko. We have as a goal the return of up to 2,000 families by the end of next year.

A really important symbol, as I mentioned in my statement, is to achieve the return of Sarajevo as a multi-ethnic city.

And here I intend, and I know the rest of the international community intends, to continue to put more pressure on the Bosnians in order to make this happen, so that Serb and Croat former residents can return to their homes.

This is a very high priority for the President, and we are going to make this happen.

Senator HAGEL. Mr. Ambassador, thank you.

Mr. Chairman.

Senator BIDEN. Mr. Ambassador, a couple things I need to touch on quickly, and then I have a few questions you might expand on.

Is there any doubt in your mind that the Dayton Accords provide for the ability of military forces, in this case SFOR, to be able to apprehend war criminals? The allegations and the context of the allegations in this forum by one of our colleagues, who is a strong opponent of our involvement in Bosnia, is characterizing the British action as mission creep; i.e., not within the purview of responsibility or the authority of military forces in Bosnia to have, in one case, shot and the other apprehended an indicted war criminal.

Ambassador GELBARD. Obviously there was serious examination of the NATO—of the SFOR mandate before this operation occurred, and there is—

Senator BIDEN. SFOR as laid out in Dayton.

Ambassador GELBARD. The SFOR follows from, flows from Dayton.

Senator BIDEN. I know. That is a very important point, though, to make sure we—

Ambassador GELBARD. That is right. And there is absolutely no question in our minds, in the minds of the NATO Secretary General and the minds of the British government and in the minds of SACEUR that the SFOR troops were acting within their mandate and under legitimate legal authorities.

Now I understand Dayton. Dayton gives the primary responsibility for apprehending war criminals to the local authorities. But in the event that they do not, it gives—there is the ability of, within the mandate, of the NATO forces to take such action.

We look at—there are several, there are multiple instruments which lay out the authorities for this to happen. We have looked at this very carefully. Dayton—the U.N. Security Council resolu-

tion which clearly authorizes apprehensions, if necessary, the implementing regulations of the tribunal and the SFOR mandate.

So all of them make——

Senator BIDEN. The only thing that is operative is the political sense. My colleagues and I, we all are basically of one mind here. You are not getting an accurate reflection of the sense of the Senate from the four of us. We may have differences in degree in how we approach these things, but I think we are pretty—we are basically seeing it from the same angle and probably the same page.

Just so you understand—I know you do understand, but I want to make it clear for the record, that the legitimacy of our presence in Bosnia is tethered in the minds of many of our colleagues, not to any U.N. resolution, not to anything other than Dayton, where we participated, we were involved, we were the prime mover.

And so if it is not in the Dayton Accords, it is going to be argued that it is not within the delegated authority of the United States, the President of the United States, vis-a-vis the Congress, having authorized him to use American forces abroad. This is the indirect way in which this connects. And so that is why I focus on Dayton.

Ambassador GELBARD. We are very comfortable about the authorities that derived from Dayton.

Senator BIDEN. Now, the other point is that you gave, Mr. Ambassador, a very thorough and a very State Department-like answer to the chairman about what you would do in terms of apprehension.

Ambassador GELBARD. And we are doing all in our power, Senator. The fact is that, at least in the French sector, it is not—no one has to go searching for Mladic or Karadzic. No one wonders where they are. I mean, they walk down the street. They are seen in broad daylight. They are—it is not like they are members of the IRA, you know, running from safe house to safe house.

Senator BIDEN. So I am going to have to be a little less diplomatic. If in fact an indicted war criminal, sealed or unsealed indictment, in effect walks under the nose of American military personnel, is it their—are they authorized to or directed to apprehend that person?

Ambassador GELBARD. The SFOR mandate makes it clear that SFOR troops have the authority to apprehend indictees whom they come across.

Senator BIDEN. They have always had the authority. And I will not embarrass you by pursuing it beyond this. They have always had the authority.

As we all know, and notwithstanding the fact that there are a number of countries involved in SFOR, there is an American commander who commands an American force located in a specific geographic location. And that commander takes his orders from an American, a part of the NATO force.

Moreover, what does an American captain think when he or she is sitting in a coffee shop and Mladic walks and sits down, you know, across from them?

I am not being facetious. It sounds like I am, but I mean, I am not. I mean, that is not as likely to happen now as it has been happening. But is there any clear understanding on the part of Amer-

ican military forces as part of SFOR what they should do when they—if they were to stumble upon an indicted war criminal?

Ambassador GELBARD. Yes.

Senator BIDEN. Can you tell us what it is?

Ambassador GELBARD. I would rather not get into anything operational. Let me just say, Senator, I think it is important—

Senator BIDEN. You have said enough.

Ambassador GELBARD. I think the important point is a broader point.

Senator BIDEN. To you it is, not to me. The important point to me is what I just asked you. That is important to me. Now you can go and tell me what is important to you.

Ambassador GELBARD. Thank you. What has occurred over the last few months has been a dramatic acceleration of much more aggressive action on the part of the U.S. Government and the allies in all aspects of our policy. I started to talk about this in my statement.

When I took this job at the request of the President, I undertook a review of how we could accelerate and have much more effective implementation. President Clinton, Secretary Albright, Sandy Berger, Secretary Cohen, and the other relative members of the National Security Cabinet have all been working very closely to make this happen.

Senator BIDEN. And some have slightly different views than the one you made, because we all know each of them personally. We all know they are not singing from the same hymn.

Ambassador GELBARD. I actually think they are, sir. Our allies now are strongly in synch with us, and we are working very closely to use every bit of conditionality, leverage, and linkage we have. I do not think it is any coincidence that over the last 3 months now we have seen a serious acceleration in terms of the use of this conditionality, as well as suddenly a couple of cases of apprehensions.

Senator BIDEN. For that, I compliment you. I read it the way you state it, that it is a, if not change in policy, a decision to be more forceful in implementing the policy. I think it is your leadership and the American leadership that put the British in the position to take the action they took.

I hope it is a continued acceleration, because you know better than we, we do not have much time. Between now and the time the Dayton withdrawal is set—and I will come back to that, if we have a second round—there is going to have to be a heck of a lot more progress. And I am not being critical. I am being supportive.

Ambassador GELBARD. I fully agree with you, Senator.

Senator BIDEN. Thank you.

Thank you, Mr. Chairman.

Senator SMITH. Senator Lugar.

Senator LUGAR. Ambassador Gelbard, if more criminals came to the tribunal, is the tribunal ready and able to handle the job? From time to time there are thoughts that they might not be. What is your general impression of the tribunal that would try these people? And are they likely to be able to do that?

Ambassador GELBARD. We are concerned that the tribunal does need more surge capacity. As was pointed out fortuitously in today's *Washington Post*, we have been very concerned about a U.N.

ruling which forced us to remove people that we had offered to the tribunal, people who we were sending on detail.

Other governments have had the same experience. I believe this came about because some other governments objected that only the richer countries could afford to do this. But we had prosecutors, investigators, Foreign Service people, we had others, who were detailed there.

Not only that, but the U.N. was charging us 13 percent overhead for each individual. So the more we cooperated, the more it cost us. There is something wrong with that.

We hope to get that changed, and I am personally working very hard on this, as is Secretary Albright, who also visited the tribunal during that visit to The Hague. I am in close contact with the chief prosecutor, and we are trying to do everything to help her.

Senator LUGAR. I appreciate that response and the detail of it. The general public listening to all of this must assume that there is a court all set up waiting for action to occur. But as you suggest, there is, in a way, but not set up well enough for a surge capacity.

What if we were to become active in the country and several people not only were indicted but apprehended, and the world then watched as these people are assembled and there is no one there to try them?

Ambassador GELBARD. I think, Senator, that now with some of the concrete results that the tribunal has been showing, such as the 20-year sentence that Totej just received, recent apprehensions in Eastern Slavonia and Republika Srpska, the other current trials that are going on, there is more concrete proof to the U.N. management, as well as to U.N. member countries that these people are serious.

Justice Louise Arbour, the chief prosecutor, is outstanding. There is also a former Los Angeles prosecutor who is working for her name Terry Bowers. There is a former Federal judge who is also one of the judges on the tribunal who is also doing an outstanding job. But we want to make sure that they do have this capacity.

Senator LUGAR. This hearing gives us a good opportunity, that is, those of us who have frustration about Bosnia, to communicate. And so I wanted to do that for a moment just in general, because it took some time before the United States decided to come involve in this Bosnian issue.

And we did so at the behest of our friends, and finally because we saw, through NATO, a way of becoming engaged and doing so effectively.

Throughout this time, there always has been the question, first of all, whether we were going to be involved and then how long. In the last hearing we had in October of last year, the administration witnesses were reticent to say very much.

Without assigning praise or blame, the fact is we needed Secretary Holbrook, who is much more forthcoming, to spell it out as he saw it from outside the administration; he indicated we would be there. The President did not indicate this until after the election.

In my judgment, he could have done so many weeks before, but he did so after. This brought a certain amount of cynicism which we are now dealing with again.

The dilemma again and again for our government is not only the American public and their understanding of what the President is saying and what we are all saying, but our allies. The fact that, simultaneously, as you more than anybody else knows, we are in the process of integrating three new nations into NATO, and a whole new situation will be coming before the Senate about the same time next year that this June withdrawal deadline is approaching.

And this is a source of concern for everybody. The credibility of this is of the essence now. This is why many of us are pressing for clarity and leadership. Clearly there is debate, and has been in the administration, as to what we do. For a long time the thought was that we have military forces, and they have done their job and done a good job. They have separated the forces. They have kept the peace.

But they have also stayed out of harm's way, and with no casualties. And that is a very important objective for all Americans, to minimize casualties. But if that is the basic objection, then we have a problem.

And clearly, we have a problem in the Senate among senators who would say that apprehending indicted war criminals is mission creep, in essence, it is going out and apprehending somebody and taking risks well beyond what we ought to be doing.

And this is why we have to wrestle this to the ground both in the Senate—better doing it with the administration, better out there in NATO. But my judgment is that it has not yet been wrestled to the ground.

When this occurred the other day with the violent instance in the British zone, it was a flash point here in which some people took sides and said, thank goodness, somebody finally saw the light, but others said this is dangerous, you had better cut this off right now.

No, we do not have a consensus, and the President has to lead on this. And, you know, I am hopeful that you will offer some counsel to him.

Ambassador GELBARD. First, the President, I think, has been showing extraordinary leadership on this issue. When he asked me go through this administration review on policy, we ended up going through this in great detail with him personally.

We had two meetings with him in which I have been present, long meetings where we have gone through it. He has been deeply engaged on the Bosnia issues, as recently as this weekend, when he spoke out very strongly, or this week when he spoke out very strongly, on these issues.

He deeply cares about and is tremendously informed about the issues in Bosnia and is determined to make this a success. That is why he took the lead in instructing Secretary Albright and appointing me to make this work. And I am determined to make this work.

There is no mission creep involved. I want to be very clear about what happened last week. That was not mission creep. As I said, it was within the mandate. Our military are not fighting in any way. Our military and SFOR as a whole are deeply involved in many aspects of implementation, and I am tremendously proud of them.

General Crouch, who is the current SFOR commander, has done an outstanding job, as has General Meigs, who is the American commander in NND North, who is just leaving, I think. They have shown enormous leadership, and now I think the same thing could be said with General Joulwan, who just left, finished his term at SACEUR last week, whom I had worked with in Latin America before that.

With the arrival of General Wes Clarke, who was involved with Dick Holbrook in the Dayton negotiations, we have somebody who is equally knowledgeable about all these issues. And I have already been holding extensive conversations with him. I am seeing him next week again.

We are also working very, very closely together. Literally, the last thing I did in my office before coming here was to take a call from General Shalikashvili, and we were talking through various aspects of these issues.

We are really working very closely to make this a success, and there is a sense of real urgency about precisely what you are discussing.

Senator BIDEN. Mr. Chairman, with your permission, could I intervene to followup on something the Senator said?

You have named four people. I would only indicate to you that I spoke to one of them at length recently, of the principals you named. And that particular person told me that in addressing our colleagues in NATO and their representatives, their perm reps, he put a list on a board.

And he said, "Now, these are the indicted war criminals. We can get each of those people. I need to know, though, that if the military in SFOR takes that action, that there will be political support from all of you for having done that. Now how do you vote?"

And he said the room was deafeningly silent, not a single, solitary NATO representative said: Go get them, Charlie. None.

This particular military man turned to me and said, "Joe, you keep pushing for this action. I do not disagree with you. But there is no political will."

Admittedly, this was 2 weeks ago or longer. Admittedly, there has been at least one instance of change. I think what the Senator is saying—please correct me, Senator, if I am wrong—is unless the President of the United States says: We, the United States, and we, the NATO forces, have as a policy the apprehension of these indicted war criminals, then we are going to be in this netherland.

Well, Senator Kay Bailey Hutchison, whom I have great respect for, stands up and introduces legislation and talks about all this mission creep right after I stand up and say, "Go get them. Great."

I am not suggesting at this point that I am right and she is wrong, only to reinforce the point of the Senator from Indiana. So the whole place in the Senate kind of breaks down, and people are coming up to—I am not sure I speak for all of them, but some know we are all deeply involved, and they assume that we have some knowledge of Bosnia and they say, what is the deal. I mean, did they do the right thing? Did they do the wrong thing?

As you know, there is a division of labor up here. When I want to know something about the tax bill, I can go speak to Senator Roth or someone else, or if they want to know something about for-

eign policy, they come to people who hopefully they have some respect for.

And they say: Well, gees, I do not know. So and so just said such and such.

I realize I am being awfully anecdotal here, but I hope—I have a friend named Bob Gold, great guy—we went to school together, and I still work with him.

I will say, “Bob, do you understand?”

And he will look me in the eye, and he will say, “Joe, I not only understand, I overstand.”

You probably overstand the point that we are making here. But something definitive has to——

Ambassador GELBARD. Senator, all I pointed out to you is that I have a pretty good guess who that military man might have been.

Senator BIDEN. I am sure you know exactly who it is.

Ambassador GELBARD. Yes. First, the fact remains, as you yourself pointed out, that the operation in Prijedor did take place 2 weeks later. And those very same perm reps knew about this and approved it.

Senator BIDEN. Good.

Ambassador GELBARD. So I rest my case.

Senator BIDEN. Well, no.

The perm reps knew about it, and they signed on. I say hurrah, great, let us let everybody know that, because the way it was played up here, it was like a great play. I should not say “was played.”

The way it came across was, you know, Madeline went over there, and Madeline started to bark. And that emboldened some folks to act. The Brits acted with our knowledge, and they moved.

I am sitting here saying, “Is this the beginning or is this the end of the beginning?”

You just said something that I——

Ambassador GELBARD. I am not going to be in a position to tell you whether this is about operational issues. I will say to you, though, once again, this was an SFOR operation done under the authority and at the instruction of the Secretary General of NATO. And it should be clearly understood as such.

It was not an independent British operation. It was not an independent British/U.S. operation. This was an NATO/SFOR operation.

Senator BIDEN. Thank you very much. Thank you for allowing me to interrupt.

Senator SMITH. Are there further questions?

Senator BIDEN. I have one further question, because I think this particular witness may be the most qualified to answer it, if I may. And maybe you spoke at the beginning of your statement about this. If you did, I apologize, and I will read in the statement about what I am about to ask you.

There have been institutions through the good work of this administration and NATO that we have attempted to set up. One is the tripartite presidency. One is the Muslim/Croat Federation. There is the council of ministers. There is the parliamentary assembly and so on.

Can you give us some sense as to how much—I have to write this down. Military operations, I think we have all said, have been remarkably successful, and geared to what the public thinks is, and views their responsibility to be, separate the warring factions, stop the carnage, *et cetera*.

Then there is the aid and reconstruction piece of this operation, which has been less successful because we have rightfully, in my view, not gone forward with some of it because the conditions precedent to going forward have not been there; I.e., resettlement, *et cetera*.

There is a third piece, the political piece. And I do not know—I am artificially separating them, but there is the political piece. The political piece is the Muslim/Croat Federation; is there a limited joint military command that is actually training together and actually doing something?

Is there an actual functioning of the central bank that has some cohesion to it?

And so if you could just for a moment talk to us about the success barrier or the status of the maturation of any of these institutional structures that are designed to bring about a political apparatus that can be in place whenever it occurs.

Ambassador GELBARD. I talked about this a bit in my opening statement, but let me go into more detail on this.

First on the joint institutions, they have begun to develop in a reasonably positive way. We are now seeing the joint presidency functioning, actually producing good results. It was not easy at the beginning, but now they are actually doing it.

And concrete examples of that are the central bank and single currency law, which I brokered, along with my colleague David Lipton of the Treasury. The central bank will be up and running fully by September, but it does exist.

Single currency. Unfortunately, Mr. Krieshnic held out on currency design at the last minute and had some designs that were not acceptable. But we are pretty close on that.

There is now a national budget for the first time. There is a national tariff and customs regime. And we are seeing other institutions beginning to function.

I mentioned that the three parties did successfully and together negotiate a debt rescheduling agreement that was outstanding for their benefit with the commercial banks a couple weeks ago. They have now done all the substance for an IMF agreement, which is important.

The co-prime ministers are working well together, Solosich and Bosich. And we are beginning to see some—the joint parliament has approved all these laws that we are seeing.

The one joint institution which still has not quite taken place is the standing committee on military matters, which had its first meeting when Secretary Albright and I visited. The Serbs are holding out again right now, but General Crouch and I have been lobbying together to make this work in the right way.

In the Federation, we are seeing very positive developments based on the Washington agreement. The train equip program that we run is moving exceedingly well.

Senator BIDEN. Is it?

Ambassador GELBARD. Yes.

Senator BIDEN. Now is that a change from just 4 months ago?

Ambassador GELBARD. It is a change from about 6 months ago.

Senator BIDEN. Six months.

Ambassador GELBARD. We have seen dramatic progress, thanks to Ambassador Pardew's efforts and efforts of others. Really good work by the MPRI contractors, good cooperation between the Croat and Bosniak sides. And they just reached agreement on the set of ranks within the military, but it is functioning well.

Senator BIDEN. And it is integrated.

Ambassador GELBARD. It is integrated. They have agreed on ratios of staff at all the various levels between the two groups, generally at 2.5 to 1, more or less.

The Federation police, we have now established a Sarajevo/Canton police. We made a tremendous breakthrough thanks to the efforts of our chargé, Bob Becroft, and my pressuring the Croats in particular in direct at Canton, which is where Mostar is. That agreement was signed on the 16th finally.

Once we get that up and running, which we expect will happen on July 21—and I have to say, the Croatian government did finally help on this a lot. We see this as the gateway to the Cantons.

Senator BIDEN. Well, I have taken more time than I should. That is the most encouraging, your last litany is the most encouraging thing I have heard.

Ambassador GELBARD. One last point, economic aid. While we are withholding it in the Republika Srpska, we are also not getting any progress there on the police because they have this old line, Communist style repressive police, and we are insisting on the form. Otherwise they are not going to get anything from us.

We do have good economic reconstruction progress in the Federation, and employment has increased 50 percent in the last year. We are seeing good export agreements that have now been signed with Croatia. They are exporting energy through the joint energy grid.

So there is a lot of room for hope here, although we are still obviously not there yet.

Senator SMITH. Ladies and gentlemen, there is a vote on the Senate floor. We have about 5 minutes to get to it. And so we are going to take a seventh inning stretch, and we will be right back with our second panel. So thank you.

Ambassador, thank you very much. [Recess.]

STATEMENT OF HON. MORTON I. ABRAMOWITZ, ACTING PRESIDENT, INTERNATIONAL CRISIS GROUP

Ambassador ABRAMOWITZ. Mr. Chairman, Members of the committee.

Thank you for inviting me to participate at this hearing. Bosnia has been a subject of deep interest to me for a number of years.

I have not prepared a formal statement, but as Acting President of the International Crisis Group, I would like to submit for the record a brief status report on the implementation of the Dayton Peace Agreement, which was put out yesterday by our International Crisis Group team in Bosnia.

Mr. Chairman, I returned from Sarajevo last Friday and would like to make a few points very briefly.

First, I believe we are at an important juncture in the implementation of Dayton which can lead to greater progress than we have seen so far. That is largely due to the change in policy which permits SFOR to actively seek out and arrest indicted war criminals.

Also very important is the political turbulence in Republika Srpska. President Plavsic's statement that many of the former and present leaders of Republika Srpska are crooks is remarkable.

I believe the impact of economic restrictions on Srpska has been greater than I imagined. Economic straits offer hope that leaders will be generated within Republika Srpska who are prepared to cooperate with the West in implementing Dayton so that they attract Western assistance. Whether or not this will happen is obviously uncertain, but to me prospects seem a little more promising than 3 months ago. Arresting war criminals, however difficult, remains a key to progress.

Second, though things may be somewhat more promising, they are unlikely to change sufficiently by June 1998 to allow a withdrawal of NATO forces. A premature withdrawal would undermine the progress that has been made and likely lead to a renewal of hostilities.

I recognize the concern of many in Congress on continuing to keep U.S. forces in Bosnia, but I believe that Congressional insistence on withdrawal by June, 1998, undermines reconciliation and reconstruction in Bosnia, reinforces nationalist leaders' unwillingness to cooperate with Dayton, and undercuts the West's huge moral and material investment in Bosnia. I think Congressional insistence is a big blow to successful implementation of Dayton.

Finally, I believe Serbia and Croatia are crucial to real progress in Bosnia in Dayton implementation. It is extremely important to continue to withhold international lending and financial assistance to these countries. The administration only recently got religion until they seriously cooperate in the implementation of Dayton.

I would like to make two other points which are not in my statement, having listened to the testimony. First, I think the administration, any administration, occasionally speaks with forked tongue. And this Administration is no different than many other administrations.

Referring here to Dayton and to their perspective on Dayton, when they do not want to do anything in the case of war criminals, they say it is incumbent on the parties. And that was their position for 2 years. Now, you know and I know when Dayton was signed; and although it says the parties were responsible for turning over indicted war criminals, nobody believed the parties, nobody believed the war criminals who controlled the governments would give themselves up.

If anything were to be done, it had to be done by the outside world. And finally that is beginning to happen.

Second, part of the problem of getting action on war criminals is, as you well know, although it is not discussed here, is the Pentagon. The Pentagon has refused for a long time to go after war criminals, to expand the mission, to expand the mission into a robust one. That has fortunately changed, at least in regard to war criminals, and I am pleased to see it.

That is all I have to say, sir.

[The report referred to by Ambassador Abramowitz follows:]

REVIEW OF THE DAYTON PEACE AGREEMENT'S IMPLEMENTATION
16 July 1997, Sarajevo

[PREPARED BY THE INTERNATIONAL CRISIS GROUP]

I. Introduction

The fortunes of the peace process and prospects for a lasting settlement in Bosnia and Herzegovina have been improved in the past month by the successful arrest of an indicted war criminal and the political turbulence in the Republika Srpska. The cycle of impunity which had hitherto characterised the wars in the former Yugoslavia has been broken. The psychological impact cannot be over-estimated. Though implementation of the Dayton Peace Agreement (DPA) has to date been disappointing, a window of opportunity has now been opened. Moreover, the 12-month countdown to the withdrawal of NATO troops in June 1998 no longer appears set in stone. The DPA is a complex treaty ending a long and bitter war and its successful implementation requires a firm, ongoing, long-term commitment. Without such a commitment, the nationalist leaders will be able to obstruct implementation in the expectation that they can outwait the international community.

The momentum which has been generated in recent weeks will be lost unless it is backed up with further arrests and, critically, a public information campaign explaining carefully to the Bosnian public the rationale behind this new policy. To ensure that the Dayton Peace Agreement does go down in history as the treaty which ended the Bosnian war, and not simply the start of an expensive cease-fire, the departure of NATO troops must be tied to the completion of the overall mission—a sustainable peace in Bosnia—not an arbitrary deadline.

II. Co-operation with the International Criminal Tribunal for the Former Yugoslavia

Following 19 months of resistance by the authorities of Republika Srpska, Croat-controlled parts of the Federation, Croatia, and the Federal Republic of Yugoslavia (FRY), NATO moved to arrest indicted war criminals. In a bold and unprecedented action on 10 July, British SFOR troops arrested Milan Kovacevic and killed Simo Drljaca in a shoot-out. Both men were indicted for genocide, though their indictments had not been published. These operations have given new credibility to the International Criminal Tribunal for the Former Yugoslavia (ICTY). Though the number of indictees who have been brought to justice remains modest—of 78 named indictees, ten are in custody, while one who had been in custody has died, and one was killed resisting arrest—there is an expectation of more arrests.

Only the Bosniacs have handed over all indictees in their jurisdiction. Croatia has turned over two out of 18 indictees believed to be within Croat-controlled territory. In May, Croatia surrendered Zlatko Aleksovski, a Croatian Macedonian, but only after the US threatened to block a \$500 million World Bank loan. And former Bosnian Croat general Tihomir Blaskic “voluntarily” gave himself up after intense pressure was brought to bear on Zagreb. Nevertheless, Croatia continues to harbour key indicted war criminals, in particular Dario Kordic, in territory it effectively controls. Meanwhile, the FRY and Republika Srpska refuse to co-operate with ICTY.

The phenomenon of sealed indictments has contributed to the change in fortunes of ICTY. Instead of publishing indictments, ICTY serves the indictments and arrest warrants to SFOR. Even before the operation against Kovacevic and Drljaca, ICTY had achieved an initial success with its new policy by arresting Slavko Dokmanovic, a Croatian Serb former mayor of Vukovar, in Eastern Slavonia in June. The policy has led to much speculation about future arrests.

The Bosnian Serb media have reacted predictably and are attempting to use the arrests to rally Bosnian Serbs behind Radovan Karadzic, both in his internal power struggle with Biljana Plavsic and against the international community in general. To build on the momentum generated by these operations, it is critical to launch a sustained public information campaign explaining the significance of the action to all Bosnians, and in particular to Bosnian Serbs. Unfortunately, international organisations have focused their media resources on the handful of foreign journalists in Sarajevo and operated exclusively in English. Until now, there has been no “hearts and minds” campaign. However, this policy seems to be in the process of change. After the arrests, SFOR published one-page advertisements in the local press explaining the reasons for the arrests in the Bosnian languages. This effort must be expanded.

III. Republika Srpska

The leadership of Republika Srpska has been stunned by NATO's 10 July operations, and it seems unsure about how to respond. The fact that British troops within SFOR carried out the action has been especially disorienting since the Bosnian Serb media have generally portrayed the British as their eternal allies. Nevertheless, there have been no serious reprisals to date save three token bombings which appear to have been set deliberately to avoid casualties.

The arrests come on top of a long-running internal power struggle in Republika Srpska. In essence, the battle is between the nationalist Biljana Plavsic and the opportunists Radovan Karadzic and Momcilo Krajisnik. The conflict has been evolving over many months, but it came to a head at the beginning of July after Plavsic ordered the dismissal of the Republika Srpska Interior Minister. Plavsic's objection to Karadzic and Krajisnik is that they are "raping" Republika Srpska economically and are, in the process, harming long-term Serb interests. After her brief but humiliating detention in Belgrade, Plavsic went on a remarkable media offensive giving details of financial misappropriations by Karadzic and Krajisnik, and Karadzic's continuing control of the SDS and government officials in Pale. Plavsic then attempted to dismiss the Republika Srpska parliament and called for new parliamentary elections on 1 September. At present these will not take place because the Republika Srpska Constitutional Court has ordered a stay of execution of Plavsic's decision. Now the parliament is back in session.

The power struggle is likely to run for some time because Plavsic is Republika Srpska's elected President and cannot be dismissed without a referendum. Plavsic also enjoys the support of the international community. Moreover, she appears to have support among ordinary people in dire economic conditions and also within the Bosnian Serb Army. However, the possibility of armed conflict between the entity army and the police under the control of the Interior Minister and loyal to Karadzic should not be ignored. Though Plavsic should never be considered a moderate or a democrat, her criticisms of the rest of the SDS leadership have been useful in undermining the strangle-hold they currently have on society. She is also more likely to co-operate with the international community in as much as she considers co-operation to be in Serb interests.

Regardless of the outcome of the power struggle, in part precipitated by the international community's withholding of economic assistance to the entity, Republika Srpska will emerge changed and hopefully more willing to cooperate in the implementation of Dayton.

IV. The Federation

Building the Federation remains a slow and painful process. More than three years after its creation in March 1994, it remains divided into Croat and Bosniac-controlled territories and all aspects of life are dominated by the two nationalist parties, HDZ and SDA. Federation institutions, including a parliament, exist, but are often by-passed by the party bosses. Only a handful of cantonal and municipal assemblies function; in four municipalities interim assemblies have never convened. The HDZ is currently boycotting sessions of the Federation Parliament in protest at SDA refusal to endorse proposals for redrawing municipal boundaries along ethnic lines. HDZ proposals are essentially aimed at creating homogeneous Croat units throughout the Federation.

In May, hard-line Croats formed the "Croat Community of Herzeg-Bosna." This is supposedly not a geographic entity but a self-appointed body to look after Croat interests throughout Bosnia and Herzegovina. In reality, the institutions of a separate Croat entity continue to function, especially in Mostar. At the early July funeral of Mate Boban, the Bosnian Croat leader who carved out the Croat statelet through ethnic cleansing, Croatia's defense minister Gojko Susak pledged that he would remain faithful to the course which Boban had plotted.

Despite the self-serving optimism of some officials from both communities, the Federation building process remains seriously flawed and agreements remain unfulfilled.

V. Return of Internally Displaced Persons and Refugees

Global figures on returns remain disappointing. Of 2.3 million displaced persons at the end of hostilities, some 280,000 have returned to Bosnia, mostly to areas in which they belong to the ethnic majority. At the same time, however, more than 80,000 people, many of them Serbs from the Sarajevo suburbs, have been forced from their homes *in the period since the Dayton Peace Agreement was signed*. With some 60 per cent of the national housing stock destroyed or damaged during the war, physical difficulties alone are daunting. Moreover, they have been exacerbated, both by the deliberate and systematic destruction of houses in both Croat-controlled

parts of the Federation and in Republika Srpska, and by discriminatory property legislation in both entities which affect majority as well as minority returnees alike.

While the overall picture remains bleak, progress is being made within the Federation in central Bosnia. Several municipalities, in particular Busovaca, Gornji Vakuf and Konjic, have begun to grasp financial incentives aimed at reintegrating minority peoples into the community. In this way Croats are returning to Bosniac-controlled territory and Bosniacs to Croat-controlled areas. In addition, UNHCR reports that individuals in Republika Srpska have begun visiting their offices to ask about the possibilities of returning to their homes in the Federation. A year ago this did not happen. However, the number of these minority return initiatives remains small.

VI. Brcko

The fate of this key strategic town on the Sava River which links eastern and western halves of Republika Srpska will be decided by international arbitration in March 1998. Whether it remains in Republika Srpska or becomes a district of Bosnia and Herzegovina under the administration of the common institutions, should depend on how the DPA is implemented there this year. An American Supervisor, Ambassador William Farrand, is overseeing implementation under the Office of the High Representative. Instead of fulfilling the terms of the DPA, however, both the Federation and Republika Srpska are being obstructionist. The Federation boycotted voter registration for the municipal elections during its first four weeks. This action was defended on the grounds that since Brcko's status was still undetermined, a single election should take place throughout the former municipality, not separate polls in the Federation and Republika Srpska. Moreover, the Federation rejects Republika Srpska identity cards in Brcko with the result that Bosniac displaced persons are not returning home. Republika Srpska is not prepared to issue its identity cards to Bosniac and Croat returnees in a manner acceptable to the Supervisor. Meanwhile, the Republika Srpska authorities abused voter registration in an attempt to pack Brcko with Serbs and thus engineer an absolute Serb majority. After the first four weeks of the registration, the scale of the fraud was so great that registration had to be cancelled and redone.

The most that can realistically be achieved in Brcko this year is to begin the return process and thus destroy the ideology which maintains that Serbs, Bosniacs and Croats cannot live together. If, however, the current impasse is not broken, not even this modest goal will be achieved. If this is the outcome, the arbitration award should be given to Bosnia Herzegovina to reflect Republika Srpska's strategy of non-compliance.

VII. Elections

National elections in September 1996 were deeply flawed and gave a fresh mandate to many leaders who were responsible for the war and who have no interest in implementing the peace agreement. After many postponements, municipal elections are scheduled for 13 and 14 September. As a result of the impossibly high turn-out in the September 1996 poll, a completely new registration has taken place. The scale and complexity of the task, however, has meant that even the most meticulous preparations would have failed to eradicate fraud. Moreover, the electorate of displaced persons currently living in Republika Srpska has once again, often under duress, opted to register to vote where they currently live, not where they were living in 1991. According to the DPA, this option was supposed to be the exception, not the rule. The extent of the fraud and its impact on the credibility of the elections cannot be determined until the OSCE releases detailed information on the registration figures at the end of July. Nonetheless, the municipal elections appear likely once again to confirm ethnic division.

VIII. Formation of Common Institutions and Reintegration

The rationale for holding the 1996 elections was that common national institutions were required to help weld Bosnia and Herzegovina back together. Progress, however, has been extremely slow. The three-man collective Presidency has, nevertheless, been meeting regularly since October 1996 and the Council of Ministers since January this year. Breakthroughs, such as formation of a central bank, generally require massive and sustained international pressure and obstructionism continues to yield dividends.

Key legislation, known as the "quick-start" package and including laws covering formation of a central bank and customs policy, was passed after much delay by the Bosnian parliament on 20 June. In order to reach agreement and persuade Republika Srpska to sign, however, the laws were greatly watered down. For example, Bosnia and Herzegovina is to have one central bank, but it will be divided into main units. one will be in the Republika Srpska and "one or two" in the Federation

and all will be able to hold reserve deposits from entity commercial banks. The central bank will issue a new currency, the "Convertible Marka," once its design has been approved by the board of governors and the Presidency. In the interim, the entities will be able to issue temporary coupons and continue to use the foreign currencies—Yugoslav Dinars, Croatian Kuna and German Marks—currently in circulation. The entities are obliged to "undertake all efforts" to promote the use of the Convertible Marka, but no deadline or penalties have been set lest those efforts prove minimal. In effect, there may never be a common currency throughout Bosnia and Herzegovina.

The most recent meeting of the Peace Implementation Council, which took place on 30 May in Sintra, Portugal, marked a change of approach by the Contact Group States. For the first time, deadlines were set for implementation of some civilian aspects of the peace treaty. The first deadline is for telephone connections. The rival ethnically-controlled networks must be linked up by 15 July. By 1 August the Bosnian government must have appointed new ambassadors and approved laws on citizenship and passports. And by 1 September a common flag must have been agreed. After 1 January 1998, only cars with new national Bosnian number plates will be allowed to cross international borders.

The European Union is financing reconstruction of the telephone network in Republika Srpska, which was heavily damaged during NATO's 1995 bombings, and has been building capacity between the Federation and Republika Srpska at three points within Republika Srpska. The 15 July deadline for inter-entity telephone links, will not be met before the end of August. If the entities fail to hook up networks, the High Representative will recommend "appropriate measures to ensure compliance." This could even entail SFOR making the connections.

Progress towards agreement on the other areas for which deadlines have been set is slow. If agreement is not reached as stipulated, however, it is likely that states will refuse to recognise existing ambassadors and flags. This will have the greatest impact on Bosniacs since at present they dominate the diplomatic service and the state flag is effectively theirs. As a result, Serbs and Croats have no great interest in speeding negotiations.

Otherwise, the nationalist media do all they can to keep tensions high. RTV Srpska continues to portray Republika Srpska as an independent state, is currently whipping up hysteria against the international community following NATO's arrest operations, and places news from the Federation in its "foreign news" section. The Croat station, HTV Mostar, tries to maintain conflict between Croats and Bosniacs. RTV BiH, the Sarajevo state broadcaster, though comparatively moderate, backs the Bosniac leadership to the hilt and has little positive to say about Bosnian Serbs and Croats.

IX. Reconstruction and a 1997 Donors' Conference

Agreement over a central bank has paved the way for a still-to-be-finalised stand-by agreement with the International Monetary Fund worth \$100 million and a belated 1997 Donors' Conference. The conference, which was postponed in mid-June for the fourth time because, among other reasons, the Bosnian Parliament had failed to adopt the "quick-start" package of laws, is expected to raise \$1.4 billion for the on-going reconstruction of Bosnia and Herzegovina, of which some 30 per cent is likely to go to Republika Srpska. The conference has now been set for 23–24 July.

\$1.8 billion was pledged at the 1996 Donors' Conference, of which some \$1.5 billion was firmly committed. Most of this money went to Bosniac-controlled parts of the Federation. Only, about 5 per cent went to Croat-controlled territory and about 2 per cent to Republika Srpska. Boosted by this money, the Federation economy grew by more than 50 per cent in 1996, while unemployment has fallen to about 48 per cent. Recovery in Srpska has been much slower and unemployment is estimated at sixty percent.

At the end of June Bosnia and Herzegovina reached agreement with the London Club of creditors effectively reducing the state's commercial debt inherited from the former Yugoslavia by 87.5 per cent, indeed a significant development. The country will have to service \$404 million of its \$1.04 billion debt. of this, \$105 million will be at low interest rates and \$254 million will only become payable once the GDP per capita rises to \$2,800.

While the framework for Bosnia and Herzegovina's economic reconstruction is now in place, unless political issues are resolved first, international investment may only work against reintegration. Money is generally channelled via authorities who are almost invariably nationalist party stalwarts. In the process, therefore, the strength and influence of nationalist parties are enhanced.

X. Implementation of Military Provisions of the DPA

In its initial months, the NATO-led Peace Implementation Force (IFOR) successfully oversaw the ceasefire, the transfer of authority in some areas, and the creation of the zone of separation. Since then, IFOR and its successor, SFOR, have concentrated on patrolling the Inter-Entity Boundary Line, while many other aspects of the Dayton Agreement, including military aspects, remain unfulfilled. De-mining has yet to begin in earnest, though the clearance of mines was supposed to occur within 30 days after IFOR deployment and the transfer of authority from the UN peace-keeping forces.

Progress in implementing the Sub-Regional Arms Control Agreement will be difficult. Republika Srpska is worried by the \$400 million, US-sponsored "Train and Equip" programme and is therefore likely to balk at destroying large numbers of tanks and heavy weaponry. Two deadlines for weapons reductions were set to arrive at a two to one ratio between the Federation and Republika Srpska armed forces: (1) phase one to have been completed by 31 December 1996; and (2) phase two to be completed by 1 November 1997. The first deadline, which should have seen a 40 per cent reduction in artillery, combat aircraft, and attack helicopters, and 20 per cent reduction of tanks and armored combat vehicles, was not met. The second deadline looms over the horizon.

Republika Srpska has also refused to agree to the formation of a Standing Commission on Military Matters, an advisory body which the Presidency could use to help control the armed forces of both entities.

Senator SMITH. As to that change, Mr. Ambassador, that you note, would our presence in Bosnia just be a very expensive cease-fire, presiding over an expensive cease-fire?

Ambassador ABRAMOWITZ. I believe you put it very well. In fact, we used a similar phrase in our evaluation. That without more robust implementation and if troops depart it would be simply a cease-fire.

Senator SMITH. Thank you very much.

Mr. Heffernan, welcome.

STATEMENT OF MR. JOHN W. HEFFERNAN, EXECUTIVE DIRECTOR, COALITION FOR INTERNATIONAL JUSTICE

Mr. HEFFERNAN. Thank you.

Mr. Chairman, I thank you for calling this hearing today. I support everything that Ambassador Abramowitz has said. He has, as he said, worked on this issue for a long time.

My message today is that Dayton will fail if in fact war criminals are not brought to justice, as many of the other participants have been saying as well. I spent two-and-a-half years as a refugee worker in the former Yugoslavia at the height of the war.

I know firsthand that none of the admirable goals set out in Dayton, from the return of refugees to the functioning of joint institutions and economically sound reconstruction efforts, will be achieved unless the architects of genocide and their henchmen are captured and transferred to The Hague.

If you were a refugee, would you return to your home knowing that a man who ran the concentration camp now works at the local police station just down the street?

How free and fair can elections be if candidates running for office from exile are prevented, once elected, from taking office by ethnic cleansing that drove them from their districts?

How much faith could you put in the future if the man who raped your wife and terrorized your neighbors thrives on the small fortune he made war profiteering?

Dayton calls upon parties to cooperate with the International War Crimes Tribunal, yet 66 of the 78 publicly indicted persons are

at large living freely and openly in Croat and Serb controlled areas of Yugoslavia. The former Yugoslavia, I should say.

This list shows how easy it is to look at indicted war criminals. The Coalition for International Justice 6 or 7 months ago, and is constantly updating it, compiled a list of over half of these people whose whereabouts are widely known. Some of these people have been indicted for, as you know, some of the most heinous crimes of this century.

If Mr. Chairman permits, I would like to submit that list for the record.

This past Tuesday the Coalition sent a letter to the President signed by over 80 religious, ethnic, women's, labor, human rights organizations representing millions of Americans. I would also like to submit this for the record.

The letter was published in the *New York Times* and introduced by former Senator Dole and Senator Lieberman at a press conference. It says in part it is futile to repeatedly state that the countries of the former Yugoslavia should arrest their own war criminals. That just will not happen, and everybody knows it. They have had the opportunity to do so.

The letter also states that thanks to the leadership of the U.S., the Dayton Accords empower NATO troops deployed in Bosnia to arrest indicted persons whenever and wherever they encounter them. Yet, despite a number of encounters, only one indicted war criminal has been arrested by NATO troops.

The absurdity of this was highlighted by Senator Dole when on a recent visit to Bosnia a high level American authority told him that when an American official went to Pale to meet the representatives from the Republic of Srpska, he arrived at the meeting place only to find that Radovan Karadzic's car was parked outside of the building.

We are encouraged by the recent arrests by the British forces in Prijedor and hope that this will be a sign of an aggressive SFOR policy in the future. Who arrests the indicted war criminals is not the issue. Whether it be a NATO force or whether it be an International Alternative Force, the issue is that it needs to be done.

Mr. Chairman, arrests, as has been said before, of course do entail risks to American and other allied forces, but our forces will likely confront far greater risks if the war criminals undermining Dayton are not apprehended and hostilities erupt.

Not to mention the billions of dollars—I think it was Ambassador Gelbard who previously said 7.7 billion—we have spent on this effort will have been wasted. Moving from an absence of war to a sustainable peace cannot be achieved as long as war criminals wield power over large swaths of Bosnia and Herzegovina.

As was recently stated by General Shalikashvili, who initially opposed apprehending war criminals, and I quote, “ * * * It is terribly important that a way be found to apprehend those war criminals and bring them to justice.”

Ratko Mladic and Radovan Karadzic and Dario Kordic must not be allowed, as Senator Dole so eloquently put the other day, “ * * * to exercise their noxious influence on the people who they sought to destroy.”

Arresting war criminals is not a panacea for peace in Bosnia. A staggering amount needs to be done, as indicated earlier, and the war criminals are frustrating our efforts at every single turn.

As long as war criminals are at large and justice is not done, the wounds of war cannot heal. Refugees will not return, there will be no reconciliation, there will be no recovery.

Thank you very much.

[The information referred to by Mr. Heffernan follows:]

July 15, 1997.

The Honorable WILLIAM JEFFERSON CLINTON,
President of the United States of America
The White House, 1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

During the savage war against Bosnia—half a century after the civilized world declared that it would “never again” allow genocide to occur—over 200,000 men, women, and children were slaughtered in the heart of Europe in a genocidal rampage euphemistically referred to as “ethnic cleansing.” Thousands of women were herded into camps where they were systematically raped as part of a larger campaign designed to humiliate, subjugate, and ultimately to destroy the Bosnian nation. Many more people were tortured or forced to flee for their lives.

Some of the many men believed to have organized and committed these crimes have been indicted as war criminals by the International War Crimes Tribunal, which was established by the United Nations with the active support of the United States. Thanks also to leadership by the United States, the Dayton Accords empower NATO peacekeeping troops deployed in Bosnia (SFOR) to arrest indicted perpetrators of these crimes whenever and wherever they encounter them. Yet, despite numerous such encounters and our intimate knowledge of where most of these men live and work, only two attempted arrests have thus far been made by these troops.

The undersigned organizations represent millions of Americans across the United States. We are deeply distressed that these indicted war criminals are living freely and with impunity, while American soldiers—the largest contingent of the NATO force—have apparently been denied the authority to make arrests. By pursuing such a policy, the United States may have been colluding in the protection of individuals charged with war crimes. We are encouraged by the recent arrest in Prijedor by British NATO troops and sincerely hope that this represents the beginning of a new, more aggressive policy by SFOR. We call upon you, Mr. President, to exert your leadership and take whatever diplomatic measures are necessary to ensure that the U.S.-led NATO forces in Bosnia meet their moral obligation to bring the rest of these men to justice without delay.

We are hopeful that a commitment by the United States to fulfill this mandate will persuade our allies to complete the task of arresting all war-crimes indictees now in Bosnia, especially the architects of the genocide. If our allies are unwilling, however, the United States must take the lead, accept the risk of confrontation, and act on its own.

It is futile to repeatedly state that the countries of the former Yugoslavia should arrest their own war criminals; it is clear they have no such intentions. And so long as war criminals are at large and justice is not done, the wounds of war cannot heal, refugees cannot return to their homes, and reconciliation, lasting peace, and a civil society cannot be achieved in Bosnia. A successful exit for U.S. troops will not be possible, and their many good works will have been wasted, if they leave behind a country in which persons indicted for war crimes continue to wield significant power and make a mockery of the rule of law.

Mr. President, at the dedication of the Holocaust Museum you reiterated the pledge “never again” to permit genocide. If the War Crimes Tribunal and the quest for peace in Bosnia should fail because U.S.-led NATO troops are unwilling to apprehend indicted perpetrators of crimes against humanity, the civilized world will have lost the opportunity to restore some credence to this tarnished pledge. We appeal to you not to allow this to happen.

Sincerely,

JOHN W. HEFFERNAN,
Executive Director,
Coalition for International Justice.

For:

Organizations

AFL-CIO
 ACTION COUNCIL FOR PEACE IN THE BALKANS
 AFRICAN METHODIST EPISCOPAL CHURCH, COMMISSION ON MISSIONS
 AMERICAN-ARAB ANTI-DISCRIMINATION COMMITTEE
 AMERICAN ASSOCIATION OF UNIVERSITY WOMEN
 AMERICAN BAPTIST CHURCHES U.S.A., INTERNATIONAL MINISTRIES, AFRICA, EUROPE,
 AND MIDDLE EAST DESK
 AMERICAN FEDERATION OF STATE, COUNTY, MUNICIPAL EMPLOYEES
 AMERICAN INDIAN HERITAGE FOUNDATION
 AMERICAN JEWISH COMMITTEE
 AMERICAN JEWISH CONGRESS
 AMERICAN KURDISH INFORMATION NETWORK
 AMERICAN MUSLIM COUNCIL
 AMERICAN NURSES ASSOCIATION
 AMNESTY INTERNATIONAL, USA
 ANTI-DEFAMATION LEAGUE
 ARAB AMERICAN INSTITUTE
 B'NAI B'RITH
 BUSINESS AND PROFESSIONAL WOMEN, USA
 CENTRAL CONFERENCE OF AMERICAN RABBIS
 CHURCH WORLD SERVICE
 COALITION OF LABOR UNION WOMEN
 COLUMBAN FATHERS' JUSTICE AND PEACE OFFICE, WASHINGTON D.C.
 COMMUNICATIONS WORKERS OF AMERICA
 COUNCIL ON AMERICAN-ISLAMIC RELATIONS
 EPISCOPAL CHURCH, U.S.A.
 EVANGELICAL LUTHERAN CHURCH IN AMERICA, LUTHERAN OFFICE FOR GOVERN-
 MENTAL AFFAIRS
 EVANGELICAL LUTHERAN CHURCH IN AMERICA, LUTHERAN OFFICE FOR WORLD COM-
 MUNITY
 EVANGELICALS FOR SOCIAL ACTION
 FEMINIST MAJORITY
 FRIENDS OF BOSNIA
 HADASSAH
 HISPANIC NATIONAL BAR ASSOCIATION
 HUMAN RIGHTS WATCH
 INTERNATIONAL BROTHERHOOD OF TEAMSTERS HUMAN RIGHTS COMMISSION
 INTERNATIONAL CAMPAIGN FOR TIBET
 INSTITUTE FOR PUBLIC AFFAIRS OF THE ORTHODOX UNION
 JESUIT REFUGEE SERVICES
 JEWISH COUNCIL FOR PUBLIC AFFAIRS
 JEWISH WOMEN INTERNATIONAL
 LAWYERS' COMMITTEE FOR HUMAN RIGHTS
 MARYKNOLL FATHERS AND BROTHERS, JUSTICE AND PEACE OFFICE
 MARYKNOLL SISTERS, OFFICE OF SOCIAL CONCERNS
 MS. FOUNDATION FOR WOMEN
 MUSLIM PUBLIC AFFAIRS COUNCIL
 MUSLIM WOMEN'S LEAGUE
 NATIONAL ASIAN PACIFIC AMERICAN LEGAL CONSORTIUM
 NATIONAL ASSOCIATION OF ARAB AMERICANS
 NATIONAL ASSOCIATION OF SOCIAL WORKERS
 NATIONAL COALITION FOR HAITIAN RIGHTS
 NATIONAL COALITION OF 100 BLACK WOMEN, INC.
 NATIONAL CONGRESS OF AMERICAN INDIANS
 NATIONAL COUNCIL OF CHURCHES
 NATIONAL COUNCIL OF CHURCHES, JUSTICE FOR WOMEN WORKING GROUP
 NATIONAL COUNCIL OF CHURCHES, RACIAL JUSTICE WORKING GROUP
 NATIONAL COUNCIL OF JEWISH WOMEN
 NATIONAL COUNCIL OF NEGRO WOMEN, INC.
 NATIONAL HISPANIC LEADERSHIP INSTITUTE
 NATIONAL ORGANIZATION FOR WOMEN
 NORTH AMERICAN COUNCIL FOR MUSLIM WOMEN
 OLDER WOMEN'S LEAGUE
 PHYSICIANS FOR HUMAN RIGHTS
 PROJECT ON AFRICAN AMERICANS IN INTERNATIONAL LAW
 PSYCHOLOGISTS FOR SOCIAL RESPONSIBILITY
 RABBINICAL ASSEMBLY

RABBINICAL COUNCIL OF AMERICA
 REFUGEES INTERNATIONAL
 SAGE: STUDENTS AGAINST GENOCIDE
 SIMON WIESENTHAL CENTER
 SPEAR: SIGMA PUBLIC EDUCATION AND RESEARCH FOUNDATION OF SIGMA GAMMA
 RHO SORORITY
 UNION OF AMERICAN HEBREW CONGREGATIONS
 UNION OF ORTHODOX JEWISH CONGREGATIONS OF AMERICA
 UNITE: UNION OF NEEDLETRADES, INDUSTRIAL AND TEXTILE EMPLOYEES
 UNITED CHURCH OF CHRIST AND DISCIPLES OF CHRIST, UNITED CHURCH BOARD FOR
 WORLD MINISTRIES
 UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION
 UNITED METHODIST CHURCH WOMEN'S DIVISION GENERAL BOARD OF GLOBAL MIN-
 ISTRIES
 U.S. COMMITTEE FOR REFUGEES
 UNITED SYNAGOGUE OF CONSERVATIVE JUDAISM
 VIETNAM VETERANS OF AMERICA FOUNDATION
 WOMEN FOR MEANINGFUL SUMMITS
 WOMEN OF REFORM JUDAISM
 WOMEN'S COMMISSION FOR REFUGEE WOMEN AND CHILDREN
 WOMEN'S LEAGUE FOR CONSERVATIVE JUDAISM
 Y.W.C.A.

Individuals (*organizational affiliation for identification only*)

MORRIS ABRAM, *former U.S. Ambassador at the United Nations*
 MORTON I. ABRAMOWITZ, *former U.S. Ambassador to Turkey*
 BERT B. BEACH, *Vice President, International Religious Liberty Association and
 Gen'l Secretary, Council on Inter-Church Relations, General Conference of Sev-
 enth Day Adventists*
 MICHAEL BERENBAUM, *President and C.E.O., Survivors of the Shoah Visual History
 Foundation*
 EDMOND L. BROWNING, *Presiding Bishop, Episcopal Church, U.S.A.*
 HODDING CARTER, III, *former Assistant Secretary of State*
 CHARLES F. DAMBACH, *President, National Peace Corps Association*
 PATT DERIAN, *former Assistant Secretary of State for Human Rights*
 PAULA DOBRIANSKY, *former Director of European and Soviet Affairs, National Secu-
 rity Council*
 MICHAEL J. DODD, *Columban Fathers' Justice and Peace Office*
 ROBERT J. DOLE, *former U.S. Senate Majority Leader*
 BIANCA JAGGER, *human rights activist*
 MAX M. KAMPELMAN, *former U.S. Ambassador for Negotiations on Nuclear and
 Space Arms*
 REVEREND TED KEATING, *Director for Justice and Peace, Catholic Conference of
 Major Superiors of Men's Institutes*
 PAUL NITZE, *former Ambassador-at-Large and Special Advisor to the President on
 Arms Control*
 ROBERTS OWEN, *Dayton Accords negotiator*
 DAVID SAPERSTEIN, *Director, Religious Action Center of Reform Judaism*
 GEORGE SHULTZ, *former Secretary of State*
 JOHN SILBER, *President, Boston University*
 SUSAN SONTAG, *author, director, literary theorist, and human rights activist*
 ROBERTA WOHLSTETTER, *historian and author, holder of the Presidential Medal of
 Freedom*
 MIRIAM YOUNG, *Executive Director, Asia Pacific Center for Justice and Peace*

Whereabouts of Indicted War Criminals in Bosnia

(Prepared by The Coalition For International Justice)

Name	Location of crimes	Ethnicity	Town/country	Whereabouts
Nenad Banovic ..	Keraterm	Bosnian Serb	Prijedor, Republika Srpska.	Frequents "Express" restaurant in Prijedor. Lives at home in Prijedor. Twin brother to Predrag Banovic. One of the Banovic brothers was seen driving a motor scooter in Prijedor in late November 1996 (<i>Christian Science Monitor</i> , Nov. 28, 1996).
Predrag Banovic	Keraterm	Bosnian Serb	31 Cirkin Polje Street, Prijedor, Republika Srpska.	Frequents "Express" restaurant in Prijedor. Lives in Prijedor. Twin brother to Nenad Banovic. One of the Banovic brothers was seen driving a motor scooter in Prijedor in late November 1996 (<i>Christian Science Monitor</i> , Nov. 28, 1996). Australian reporter Gordon Weiss saw Predrag Banovic at Banovic's home, on 31 Cirkin Polje Street. Local police stated that the Banovics' (Predrag and Nendad) both work for reserve police. They share a red motor bike and are often seen riding through town. ("In the Land of the War Criminals" By: Gordon Weiss, <i>The Associated Press</i> , April 17, 1997).
Mario Cerkez	Lasva Valley	Bosnian Croat	Vitez, Federation of B-H.	Commanded an HVO brigade in Vitez in 1993 and is still there (<i>Tanjug</i> , Nov. 13, 1995).
Dragan Fustar ...	Foca	Bosnian Serb	Prijedor, Republika Srpska.	Residence address listed on the IFOR wanted poster was 41 First of May Street in Prijedor. A journalist found Fustar's mother and wife both living there in late November 1996. The number sign has been pulled from the house. His mother and wife say that they live at 37 First of May Street, even though the building is located between 39 and 43 First of May Street. He is now unemployed (<i>Christian Science Monitor</i> , Nov. 28, 1996). Dragan Fustar visits his mother in Prvomajska street 41. (<i>The Associated Press</i> , May 25, 1997).
Dragan Gagovic	Foca	Bosnian Serb	Foca, Republika Srpska.	Chief of police in Foca (<i>Sunday Times of London</i> , July 28, 1996). In April 1997 Dragan Gagovic was working as a police trainer in a police training school in Trjentiste. The school is run by General Soric. Gagovic owns a bar in Foca and can be seen in town driving a green rabbit. (Thomas Keenan, Princeton University).
Gojko Jankovic ..	Foca	Bosnian Serb	Foca, Republika Srpska.	Seen by a journalist at a Foca cafe while "French soldiers from IFOR ... leant against a nearby wall smoking cigarettes and paying no attention as Jankovic, accompanied by bodyguards, casually ordered a drink." (<i>Sunday Times of London</i> , July 28, 1996). Tried to get on the ballot for municipal elections. OSCE spotted it and stopped him.

Whereabouts of Indicted War Criminals in Bosnia—Continued

(Prepared by The Coalition For International Justice)

Name	Location of crimes	Ethnicity	Town/country	Whereabouts
Nikica Janjic	Omarska and Keraterm.	Bosnian Serb	Banja Luka, Republika Srpska.	According to friends and his father, he killed himself in September 1995 (<i>Christian Science Monitor</i> , Nov. 28, 1996).
Goran Jelusic, Indicted for Genocide.	Brcko	Bosnian Serb	Bijeljina, Republika Srpska.	Interviewed in his apartment in Bijeljina (<i>De Volkskrant</i> [Amsterdam], Feb. 29, 1996). Knows the telephone number of Ratko CESIC, also indicted for Brcko (<i>De Volkskrant</i> [Amsterdam], Feb. 29, 1996).
Drago Josipovic	Lasva Valley	Bosnian Croat	Vitez, Federation of B-H.	A chemical engineer at the local Vitezit explosives factory, he lives in his family home in the village of Santici, just east of Vitez (<i>Associated Press</i> , Nov. 9, 1996). Works as a chemical engineer in the Princip munitions factory. May also be found at the local Croatian Democratic Party headquarters, where his wife is president (<i>Washington Post</i> , Nov. 27, page A21).
Radovan Karadzic, Indicted for Genocide.	Sarajevo and Srebrenica.	Bosnian Serb	Pale, Republika Srpska; and Banja Luka, Republika Srpska.	Pale house—large house on a mountainside—pointed out to Prof. Charles Ingraio on trip to Pale (<i>New York Times</i> , Oct. 28, 1996). Has a friend, Slavko Rogulic, who runs a gas station and hotel for him in Banja Luka. Also building a house in Koljani village near Banja Luka. “[M]akes little effort to conceal his daily movements” (<i>Associated Press</i> , Nov. 9, 1996). Karadzic lives less than a kilometer from SFOR troops. He is described as “a creature of habit.” UN sources say that he travels regularly between his home and his office (Industry of Vehicles in Famos) in a limousine. (“NATO bid to capture Karadzic” by Chris Stephen in <i>Agence France Presse</i> , May 20, 1997 and <i>The Associated Press</i> May 25, 1997) The Office of Carl Bilt has “hard evidence” that Radovan Karadzic holds meetings with Momcilo, Krajisnik at Karadzic's house in Pale. (From interview with Colum Murphy, spokesperson for Carl Bilt, <i>BiHTV News Summary</i> , 27 May, 1997 and <i>BBC Summary of World Broadcasts</i> , June 21, 1997).
Marinko Katava	Lasva Valley	Bosnian Croat	Vitez, Federation of B-H.	Works as a labor inspector for the Federation government at desk in the town hall in Vitez, and lives in a pleasant downtown apartment (<i>Associated Press</i> , Nov. 9, 1996). Works in the town hall in Vitez as an employment inspector. He may be at the pharmacy run by his wife. The family telephone number is printed on a sign in the pharmacy window, and the Katavas live upstairs (<i>Washington Post</i> , Nov. 27, 1996, page A21).

Whereabouts of Indicted War Criminals in Bosnia—Continued

(Prepared by The Coalition For International Justice)

Name	Location of crimes	Ethnicity	Town/country	Whereabouts
Dragan Kondic ..	Keraterm	Bosnian Serb	Prijedor, Republika Srpska.	Said to have connections with special police in Ljubia. Hangs out almost every night at "The Pink" bar in Prijedor.
Dario Kordic	Lasva Valley	Bosnian Croat	Zagreb, Croatia	Numerous reports have him living in Zagreb. On or about July 8, 1996, was photographed in front of an apartment in Zagreb's Tresnjevka district on the 4th floor with no name on the door; block is owned by the defense ministry (<i>Globus</i> [Zagreb], as quoted in <i>Reuters</i> , July 10, 1996). Croatian ambassador to the United States says the apartment belongs to Kordic's parents, which means the Croatian government knows where Kordic has been living (<i>Washington Post</i> , Nov. 11, 1996, page A28).
Milojica Kos	Omarska	Bosnian Serb	Omarska, Republika Srpska.	His brother Zheljko Kos owns "Europa" restaurant in Omarska, across the street from the Omarska camp buildings; Milojica Kos is frequently at the restaurant. Otherwise, he is keeping a low profile in Omarska (<i>Christian Science Monitor</i> , Nov. 28, 1996).
Radomir Kovac ..	Foca	Bosnian Serb	Foca, Republika Srpska.	A journalist said at the IFOR press briefing on Nov. 19, 1996, that Kovac was still working for the Foca police. IPTF spokesman Aleksandar Ivanko replied, "I heard these reports. We can't confirm them. We have to take [Bosnian Serb Interior] Minister Kijac at his word, and he says nobody who has been indicted is working as a policeman in his letter to Peter Fitzgerald, so for the time being we'll take him at his word."
Mirjan Kupreskic	Lasva Valley	Bosnian Croat	Vitez, Federation of B-H.	Can be found at the grocery store he and his cousin Vlatko KUPRESKIC run; he lives in Pirici, just east of Vitez (<i>Associated Press</i> , Nov. 9, 1996). Runs a grocery shop in Vitez not far from Marinko KATAVA's wife's pharmacy (<i>Washington Post</i> , Nov. 27, page A21).
Vlatko Kupreskic	Lasva Valley	Bosnian Croat	Vitez, Federation of B-H.	Can be found at the grocery store he and his cousin Mirjan KUPRESKIC run; he lives in Pirici, just east of Vitez (<i>Associated Press</i> , Nov. 9, 1996).

Whereabouts of Indicted War Criminals in Bosnia—Continued

(Prepared by The Coalition For International Justice)

Name	Location of crimes	Ethnicity	Town/country	Whereabouts
Zoran Kupreskic	Lasva Valley	Bosnian Croat	Vitez, Federation of B-H.	Can often be found at the grocery store run by him, his brother Mirjan KUPRESKIC and their cousin Vlatko KUPRESKIC (<i>Associated Press</i> , Nov. 9, 1996). Runs a business in Vitez, not his brother Mirjan KUPRESKIC's grocery shop. "I have been advised not to talk to the press by the guy in charge," he said. "But call my brother Mirjan. Maybe he will want to talk to you," giving the telephone number and location of his brother's shop (<i>Washington Post</i> , Nov. 27, page A21).
Miroslav Kvocka	Omarska	Bosnian Serb	Prijedor, Republika Srpska.	Works at Prijedor police station (<i>Reuters</i> , Oct. 2, 1996). Put on leave (<i>ABC World News Tonight</i> , Nov. 26, 1996). Put on 30 days leave. Was the Prijedor police duty officer as recently as Oct. 23, 1996, but is on temporary leave (<i>Christian Science Monitor</i> , Nov. 28, 1996).
Milan Martić	Zagreb, rocket attack.	CroSerb	Ulica Milosa Oblica 88, Banja Luka, Republika Srpska.	"[H]is place of residence has been precisely located ... (<i>Telegraf</i> [Belgrade], Feb. 28, 1996). Believed living in Banja Luka (<i>London Press Association</i> , Mar. 8, 1996) Said to have regular meetings with Plavsic, <i>et al.</i> Attended a public event near Banja Luka in July also attended by IFOR personnel (<i>Human Rights Watch</i> press release, Nov. 8, 1996). Seen in Banja Luka on Nov. 5, 1996. Lives less than 100 meters from IFOR civilian affairs center in Banja Luka (<i>Human Rights Watch</i> press release, Nov. 8, 1996). Gave a videotape interview from his office in Banja Luka (<i>ABC World News Tonight</i> , Nov. 26, 1996). Milan Martić lives at Ulica Milosa Oblica 88. (Mario Dederichs in <i>The Associated Press</i> , May 25, 1997). <i>The London Times</i> interviewed Milan Martić in June 1997. His house is within walking distance of the International Police Task Force building, the regional office of the High Representative, and other international agencies. There are 5,000 British SFOR soldiers five miles away. (<i>London Times</i> , June 10, 1997).
Zeljko Meaki [also spelled "Mejakic"], Indicted for Genocide.	Omarska	Bosnian Serb	Omarska, Republika Srpska.	Deputy commander of Omarska police station (<i>Boston Globe</i> , Oct. 31, 1996, page a6). Put on leave (<i>ABC World News Tonight</i> , Nov. 26, 1996). Put on 30 days leave. On duty as recently as Oct. 20 (<i>Christian Science Monitor</i> , Nov. 28, 1996).

Whereabouts of Indicted War Criminals in Bosnia—Continued

(Prepared by The Coalition For International Justice)

Name	Location of crimes	Ethnicity	Town/country	Whereabouts
Slobodan Milijakovic.	Bosanski Samac.	Bosnian Serb	Kragujevac, Serbia ..	Kragujevac is 60 miles southeast of Belgrade (<i>Time Magazine</i> , May 13, 1996).
Ratko Mladic, Indicted for Genocide.	Sarajevo and Srebrenica.	Bosnian Serb	Han Pijesak, Republika Srpska. Belgrade, Serbia Jans Pijesak	Lives inside his headquarters (numerous sources). Maintains an apartment in Belgrade. General Mladic lives in the bunkered command center Crna Rijeka in the mountains of Jans Pijesak. (Mario Dederichs, <i>The Associated Press</i> , May 25, 1997). General Radko Mladic was to travel to Belgrade to attend his son's wedding sometime in June. Mladic was recently seen in Montenegro and Serbia on several occasions. (Bosnian Serb media and <i>Extra Magazine</i> in <i>Agence France Presse</i> , June 16, 1997).
Milan Mrksic	Vukovar	Serb	Banja Luka, Republika Srpska.	General in the JNA at the time of Vukovar; then went to work for the Krajina Serbs. Reported to have been in Banja Luka (<i>New York Times</i> , Jan. 5, 1996). Later, reported to have retired and now living a solitary life in Belgrade (<i>Vreme</i> , Apr. 6, 1996).
Dragan Nikolic ..	Susica	Bosnian Serb	Vlasenica, Republika Srpska.	Either in the Republika Srpska army or the Republica Srpska civilian government (<i>Reuters</i> , Feb. 16, 1996).
Miroslav Radic ..	Vukovar	Serb	In the Serbian "provinces".	Operates a private company "in the provinces" of Serbia (<i>Vreme</i> , Apr. 6, 1996).
Mladen Radic	Omarska	Bosnian Serb	Prijedor, Republika Srpska.	Works at Prijedor police station (<i>Reuters</i> , Oct. 29, 1996). Put on leave (<i>ABC World News Tonight</i> , Nov. 26, 1996). Put on 30 days leave.
Ivica Rajic	Stupni Do	Bosnian Croat	Split, Croatia	Lived in a Croatian-government owned hotel, believed to be the Zagreb Hotel, but has since reportedly left Split (<i>Globus</i> [Zagreb]; reported by <i>Reuters</i> , Oct. 23 and 24, 1996).
Ivan Santic	Lasva Valley	Bosnian Croat	Unknown	Santic was described as an engineer, the director of the Sintevit plant in Vitez. and, at the time the crimes occurred, the mayor of Vitez (<i>Tanjug</i> , Nov. 13, 1995). Interviewed by Inter Press Service (<i>Inter Press Service</i> , Dec. 14, 1995). In 1994–95 (at least), Santic was Deputy Minister of Industry and Energy in the Federation (Vjesnik [Zagreb], June 20, 1994, and Vecernji List [Zagreb], Nov. 20, 1995). Federation officials should know his address.
Dusko Sikirica, Indicted for Genocide.	Keraterm	Bosnian Serb	Unknown	Tried to get on the ballot for municipal elections. OSCE spotted it and stopped him. OSCE should know his address.

Whereabouts of Indicted War Criminals in Bosnia—Continued

(Prepared by The Coalition For International Justice)

Name	Location of crimes	Ethnicity	Town/country	Whereabouts
Blagoje Simic	Bosanski Samac.	Bosnian Serb	Bosanski Samac, Republika Srpska.	Highest-ranking public official in Bosanski Samac, with an office in the town hall (<i>Boston Globe</i> , Nov. 1, 1996, page a1).
Pero Skopljak	Lasva Valley	Bosnian Croat	Vitez, Federation of B-H.	An official in the HZHB Presidency (<i>Tanjug</i> , Nov. 13, 1995). "Still lives in Vitez, where he runs a print shop" (<i>Inter Press Service</i> , Dec. 14, 1995). Now runs a local printing company from the ground floor of his spacious home in Vitez (<i>Associated Press</i> , Nov. 9, 1996). Still runs the printing shop, though his wife says he's rarely there (<i>Washington Post</i> , Nov. 27, page A21).
Veselin Slijivancanin.	Vukovar	Serb	Belgrade, Serbia	Reportedly had falling out with his superior, Gen. Milan MRKSIC, also indicted for Vukovar (<i>New York Times</i> , Jan. 5, 1996). Promoted to full colonel and transferred to Belgrade (<i>Agence France Presse</i> , Feb. 16, 1996). Now head of the Center of Advanced Military Schools in Belgrade (<i>Svijet</i> [Sarajevo], Apr. 25, 1996). Also referred to as an instructor at the Center of Advanced Military Schools in Belgrade (<i>Vreme</i> , Apr. 6, 1996).
Radovan Stankovic.	Foca	Bosnian Serb	Foca, Republika Srpska.	Working in the Republika Srpska police in Foca as of August, according to IPTF spokesman Aleksandar Ivanko. In August, Stankovic walked into IPTF police station near Sarajevo, but IPTF did not recognize his name. Local police stopped him, asked to see his driver's licence, recognized his name, ordered him to come to a police station, whereupon he fled—later to file a complaint with the IPTF alleging that the Bosnian police fired shots at his car (<i>Reuters</i> , Nov. 8, 1996). In August, Stankovic filed a complaint against the Bosnian police at an IPTF office. "After being embarrassed by the fact that journalists discovered five others indicted on war-crime charges in the Serbian police force, U.N. officials reacted by forbidding their monitors to discuss the Stankovic case with reporters" (<i>New York Times</i> , Nov. 9, 1996).
Nedjeljko Timarac.	Keraterm	Bosnian Serb	Prijedor, Republika Srpska.	Works at Prijedor police station (<i>Reuters</i> , Oct. 29, 1996). Put on leave (<i>ABC World News Tonight</i> , Nov. 26, 1996). Put on 30 days leave.

Whereabouts of Indicted War Criminals in Bosnia—Continued

(Prepared by The Coalition For International Justice)

Name	Location of crimes	Ethnicity	Town/country	Whereabouts
Stevan Todorovic	Bosanski Samac.	Bosnian Serb	Bosanski Samac, Republika Srpska.	Deputy of the local office of Republika Srpska state security in Bosanski Samac; works the night shift (7 p.m.–7 a.m.) (<i>Boston Globe</i> , Nov. 1, 1996, page a1). Lives in the village of Donja Slatina, a 3 minute, 30-second drive from American-staffed NATO base of Camp Colt, with 1,000 soldiers. His commuter route is routinely traveled by NATO patrols (<i>Boston Globe</i> , Nov. 1, 1996, page a1).
Simo Zaric	Bosanski Samac.	Bosnian Serb	Unknown	Simo Zaric can be found at the Bosanski Samac, "A US soldier checked his identity card carefully, waved to him and then saluted". (Mario Dederichs, May 25, 1997).
Dragan Zelenovic	Foca	Bosnian Serb	Foca, Republika Srpska.	A journalist said at the IFOR press briefing on Nov. 19, 1996, that Zelenovic was still working for the Foca police. IPTF spokesman Aleksandar Ivanko replied, "I heard these reports. We can't confirm them. We have to take [Bosnian Serb Interior] Minister Kijac at his word, and he says nobody who has been indicted is working as a policeman in his letter to Peter Fitzgerald, so for the time being we'll take him at his word."
Zoran Zigic	Omarska and Keraterm.	Bosnian Serb	Banja Luka, Republika Srpska.	Believed to be in jail in Banja Luka. Reported to be in a Bosnian Serb prison for an unrelated murder (<i>Christian Science Monitor</i> , Nov. 28, 1996).

Senator SMITH. Thank you very much for that very eloquent testimony.

Mr. Johnson.

STATEMENT OF MR. HAROLD J. JOHNSON, ASSOCIATE DIRECTOR, INTERNATIONAL RELATIONS AND TRADE DIVISION, GENERAL ACCOUNTING OFFICE

Mr. JOHNSON. Thank you very much, Mr. Chairman. I am very pleased to be here today.

As you know, we recently issued a fairly lengthy report. We also have a very lengthy statement for the record that I am sure will be entered. I will try to summarize some points as quickly as possible.

Senator SMITH. We will be very happy to receive any materials that you would like, that any of you would like, to include in our record today.

Mr. JOHNSON. Thank you very much.

Our report and my statement today is based on three visits to Bosnia, as well as work that we have performed here in the States, at NATO and other locations in Europe.

I would like to say that our job is not one of advocacy, it is one of trying to report objectively what we see. Even though some of

what I am going to say today may sound like advocacy, it is simply reporting back to you what we learned during our visits.

Obviously there have been some successes in the operation in Bosnia. The military operation, I think no one would deny, has been successful. War has ended. There are no hostilities, and that has allowed time for the civilian aspects of the Dayton Peace Accords to at least begin.

Despite this progress, despite these successes, a unified multiethnic democratic government and one that respects the rule of law has not taken root. This is due principally to the failure of Bosnian political leaders to fulfill their obligations under Dayton and to promote political and social reconciliation.

Many Bosnian Serbs and Croat leaders still embrace their war-time goals. The Bosnian Muslims would like to have a unified and multiethnic state but, as some analysts have pointed out, with themselves in control. So there are problems on all sides.

One of the key provisions of the Dayton agreement concerns the right of refugees and displaced persons to return to their homes.

In the majority of these cases, that would mean returning to areas that were ethnically cleansed. Because of the resistance of political leaders of all three ethnic groups, very few refugees or displaced persons have crossed ethnic lines to return to their pre-war homes. The number, as we saw, was about 9,000, a very small number.

Most of the returns that have taken place, and there have been about 280,000 people returned, have been to areas where they are in the majority. Bosnia's political leaders from all sides have often blocked other efforts to link the ethnic groups, both politically and economically. There are numerous examples of this, linkages of rail, air, telecommunications, and other areas.

As a result of strong international pressure, some progress is being made on the initiation of institutions. They are beginning to work, but very slowly.

During our June visit, nearly every official at all levels that we spoke with expressed the importance of arresting or somehow taking Radovan Karadzic off the scene. Other indicted war criminals were not mentioned prominently, although it was recognized that it also is important that they be arrested.

Mr. Karadzic was mentioned very prominently because it is believed that he essentially controls what happens in the Republic of Srpska. Even though some of the more moderate, and I use that word advisedly, leaders have been willing to cooperate, Mr. Karadzic blocks progress at almost every turn. The view was, by almost everybody that we spoke with, that if he remains in place, Dayton has very little chance of succeeding.

There are a number of other issues that came up during our most recent visit. One of these has to do with the concern about the upcoming election, the municipal elections, specifically the contentious issue of installing newly elected officials in locations where they may be in the minority.

And the way the election is being structured, and as it should be structured, there is a possibility that Serbs or Muslims or Croats could be elected to municipal posts in areas where they are no

longer in the majority. There is a great deal of concern about these officials' installation and the security related to that issue.

Another issue that was raised prominently in the discussions that we had has to do with the decision on Brcko. I think it is recognized by most observers and international officials that what happens in Brcko will indeed be the key to what happens in Bosnia.

If they are unable to resolve that situation in a manner that somehow satisfies both the Bosnian Serbs and Muslims, both sides have indicated that they would expect to go back to war.

We visited the operations center at the office of the deputy high representative in Brcko. We could see that they are working very hard, and they have a plan to begin implementing some of the provisions of the Dayton agreement, but they are going very slowly. We do not necessarily fault them at that; it is a very difficult job.

From January of this year through June, 159 Muslim families were brought back into their homes within the Bosnia Serb side of the zone separation. When you consider that there are as many as 30,000 Bosniaks and Bosnian Croats who were driven from their homes in the area, the task is very large.

Finally, the topic of much discussion during our trip was the need for continued international military presence in Bosnia after SFOR's mission ends in June.

Again, the consensus was that the desired end-state, which includes (1) political leaders demonstrating a commitment to continue negotiations, (2) the establishment of civil structures that would be sufficiently mature to assume the responsibility for ensuring compliance with Dayton, (3) political leaders of the three groups would adhere to a sustained cease-fire, and (4) continued, ongoing nation-building activities, has very little chance of being met by June 30.

Almost to a person, the individuals that we spoke with indicated that international forces would be required to maintain the peace. And, in order for that international force to have any credibility, the United States would have to have some involvement and be on the ground and not over the horizon.

We heard that time and again, that having U.S. troops over the horizon in Italy or in Hungary simply would not be sufficient to have the credibility if the situation in Bosnia continues as it is now, and as it is foreseen to be in June 1998.

Senator BIDEN. Excuse me, sir. Whom did you hear that from?

Mr. JOHNSON. Numerous people that we talked to, including some NATO officers—

Senator BIDEN. And that assumed no NATO forces in Bosnia?

Mr. JOHNSON. No, there would be NATO forces in Bosnia. But, there is a belief that NATO forces in Bosnia without a U.S. presence on the ground in some form—we did not hear a prescription as to what form that should take, but on the ground in Bosnia in some form, credibility of the forces simply would not be there. They have gone through that experience with UNPROFOR—

Senator BIDEN. Did you hear that from NATO forces or did you hear that from Bosnians—

Mr. JOHNSON. Mostly from international officials, OSCE officials, the European Monitoring Mission and others. There was a concern

raised about the credibility issue among NATO forces that we spoke with, but it came more strongly from other international officials.

Finally, I would like to just briefly mention we have continued to follow the cost of this operation. I know in your statement you mentioned \$7.7 billion. As a result of planning now for increasing slightly the force levels during the election, the price has gone up to \$7.8 billion.

If the U.S. military continues beyond June, obviously the price would go even higher. This is not an inexpensive operation.

[The prepared statement of Mr. Johnson follows:]

PREPARED STATEMENT OF HAROLD J. JOHNSON

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to provide our evaluation of international efforts to promote an enduring peace in Bosnia and Herzegovina through the implementation of the 1995 Dayton Agreement. My statement is based on (1) our May 1997 report on the Bosnia peace operation,¹ which provided the results of two visits to Bosnia in July and December 1996 and (2) information on evolving issues and progress we obtained during a visit to Bosnia in June 1997.

Summary

The internationally-supported peace operation in Bosnia, part of a longer-term peace process, has helped that country take important first steps toward achieving the Dayton Agreement's goals. The North Atlantic Treaty Organization (NATO)-led forces have sustained an environment without active military hostilities. This has provided time for the peace process to move forward and has allowed the implementation of the agreement's civil aspects to begin. Progress has been made in establishing some political and economic institutions, and economic recovery has started in the Federation. Nevertheless, the transition to a unified, democratic government that respects the rule of law has not occurred, due principally to the failure of Bosnia's political leaders to fulfill their obligations under the Dayton Agreement and to promote political and social reconciliation. Despite the Dayton Agreement, many Bosnian Serb and Croat political leaders still embrace their wartime aims of controlling their own ethnically pure states separate from Bosnia. Bosnian Muslims, known as Bosniaks, continue to support a unified, multiethnic state, but, according to some analysts, with the Bosniaks in control.

Very few refugees and displaced persons have crossed ethnic lines to return to their prewar homes, primarily due to resistance from political leaders of all three major ethnic groups. Further, according to human rights reports, Bosnians of all three ethnic groups could not freely cross ethnic lines at will or remain behind to visit, work, or live without facing harassment, intimidation, or arrest by police of other ethnic groups. Essentially, true freedom of movement across ethnic boundaries does not yet exist. Similarly, Bosnia's political leaders from all sides have often blocked efforts to link their ethnic groups politically or economically. Virtually all of the limited progress on the civil aspects has resulted from strong international pressure on these often resistant political leaders. As one international official noted, the Bosnia peace process remains driven from the outside rather than from within.

During our June 1997 visit, nearly every international and U.S. official with whom we spoke, including senior NATO officers, were adamant that Radovan Karadzic, a Bosnian Serb who was indicted by the war crimes tribunal, must be arrested or otherwise removed from Bosnia. Most were unequivocal on this matter, and stated that he retains political power and influence over political figures in Republika Srpska, the Bosnian Serb entity. So far, according to these officials, he has seen fit to block every significant move toward reconciliation.

Other key issues identified as being critically important to the Dayton Agreement's success include the municipal elections scheduled for September 13 and 14, 1997, specifically the potentially contentious installation of some newly elected municipal governments; the outcome of the arbitration decision concerning which ethnic group will control the strategically important city of Brcko in Republika Srpska;

¹Bosnia Peace Operation: Progress Toward Achieving the Dayton Agreement's Goals (GAO/NSIAD-97-132, May 5, 1997).

and the issue of whether an international military force, including the U.S. military, should remain in Bosnia after the current NATO-led mission ends in June 1998.

I should note that our field work in Bosnia was completed before the recent political crisis in Republika Srpska, and my statement does not address this issue. However, even if President Plavsic wins the political struggle with more hardline Bosnian Serb political leaders, we believe that full implementation of the Dayton Agreement—in other words, full political and social reconciliation in Bosnia—will remain a long and difficult process.

The executive branch initially estimated that U.S. military and civilian participation in Bosnia would cost about \$3.2 billion through fiscal year 1997. The total estimated cost for U.S. participation in the operation has since risen to \$7.8 billion. The increase is primarily due to the December 1996 decision to extend the presence of U.S. forces in and around Bosnia until June 1998.

Progress Toward Achieving The Dayton Agreement's Goals

I will briefly review, and in some cases update, our report's findings on progress made in achieving the Bosnia peace operation's four key objectives. These objectives were to (1) provide a secure environment for the people of Bosnia; (2) create a unified, democratic Bosnia that respects the rule of law and internationally recognized human rights, including cooperating with the war crimes tribunal in arresting and bringing those charged with war crimes to trial; (3) ensure the rights of refugees and displaced persons to return to their prewar homes; and (4) rebuild the economy.

Progress in Providing a Secure Environment

The Bosnian people are more secure today than before the Dayton Agreement was signed. Bosnia's Serb, Croat, and Bosniak armies have observed the cease-fire, allowed NATO's Implementation Force and later the Stabilization Force, known as SFOR, to monitor their weapons sites and troop movements, and have reduced their force levels by a combined total of 300,000. The U.S.-led "train and equip" program intended to help stabilize the military balance in the region and integrate the Bosniak and Bosnian Croat armies into a unified Federation army is progressing, albeit slower than anticipated.

Nonetheless, Bosnian Serb political leaders have not fully lived up to arms reduction agreements. According to a State Department official, the United States could increase assistance under the Federation train and equip program to provide a military balance if the Bosnian Serbs do not comply with the arms control agreements. Bosnian Croat and Bosniak political leaders have made some progress in reforming their civilian police so that they provide security for Bosnians of all ethnic groups and do not commit human rights abuses; however, Bosnian Serb political leaders have refused to cooperate with the International Police Task Force (IPTF) in reforming their police force in accordance with democratic policing standards. Moreover, many international observers, including some in the State Department, believe that keeping an international military force in place is still the only deterrent to major hostilities in Bosnia.

Progress in Developing a Unified, Democratic Bosnia

A unified, democratic state that respects the rule of law and adheres to international standards of human rights has yet to be achieved. Elections for institutions of Bosnia's national and two entity governments (Republika Srpska and the Federation) were held in September 1996, and many national joint institutions intended to unify Bosnia's ethnic groups have met at least once. However, most of these institutions are not yet functioning; Bosnia's three separate, ethnically-based armies continue to be controlled by their wartime political leaders; and many Bosnian Serbs and Croats and their political leaders retain their wartime goal of establishing ethnically pure states separate from Bosnia. Moreover, the human rights situation worsened in the months after the election, particularly in Bosnian Serb-controlled areas. And ethnic intolerance remains strong throughout Bosnia, in large part because Bosnia's political leaders control the media and use it to discourage reconciliation among the ethnic groups.

Additionally, as of July 10, 1997, 66 of the 74 people² publicly indicted by the war crimes tribunal remained at large, some openly serving in official positions and/or retaining their political power. While the Bosniaks had surrendered all indicted war criminals in their area of control to the war crimes tribunal, Bosnian Serbs and Croats had not surrendered to the tribunal any indicted war criminals in their

²These figures do not include one person who was indicted by and surrendered to the war crimes tribunal but who was released by the tribunal for humanitarian reasons and later died. Also, other people not included in these figures have been indicted by the war crimes tribunal under sealed indictments.

areas. U.S. and other officials view progress on this issue as central to the achievement of the Dayton Agreement's objectives.

On July 10, 1997, NATO-led troops in Bosnia for the first time attempted to arrest people indicted for war crimes, specifically two Bosnian Serb suspects who had been charged under a sealed indictment for complicity with commitment of genocide. British SFOR soldiers arrested one suspect and, in self-defense, shot and killed the other after he fired at them. U.S. officials have stated that this action does not represent a change in policy regarding SFOR's mandate to apprehend indicted war criminals. The policy remains that SFOR troops will arrest indicted war criminals when they come upon them in the normal course of their duties if the tactical situation allows.

Progress in Returning Refugees and Displaced Persons

Despite guarantees in the Dayton Agreement and extensive international efforts to resolve the issue, the return of refugees and displaced persons to their homes has barely begun in Bosnia. The returns that did take place in 1996 and 1997 were mainly people going back to areas controlled by their own ethnic group because returns across ethnic lines proved nearly impossible. Of the estimated 2 million people who were forced or fled from their homes during the war, in 1996 about 252,000 returned home (88,000 refugees and 164,000 displaced persons), while at the same time over 80,000 others fled or were driven from their homes. Almost all of these people returned to areas in which they would be in the majority ethnic group. For 1997, the United Nations High Commissioner for Refugees (UNHCR) decided to give priority to majority returns and projected that 200,000 refugees would return to their homes, all to majority areas.³ As of March 1997, the pace of refugee returns exceeded UNHCR's target as about 17,000 refugees returned to Bosnia. In mid-June 1997, however, UNHCR officials in Bosnia told us that this pace had recently fallen off,⁴ and, if the current trend continued, the number of refugee returns for 1997 would be lower than projected.

A number of factors have combined to hinder returns, such as fear, stemming from lack of personal security; violence triggered by attempted cross-ethnic returns; poor economic prospects; and lack of suitable housing. Further, political leaders of all ethnic groups have used nonviolent means to resist returns, including the retention of existing, discriminatory property laws and continuing other policies that place insurmountable barriers to returns. For example, according to UNHCR officials, Bosnian Croat political leaders, as directed by Croatia, have moved 5,000 to 6,000 displaced persons—including Bosnian Croat army members and their families—into the formerly Serb-populated city of Drvar, a policy designed to prevent Serbs from returning and to cement the ethnic separation of Bosnia. This policy has been implemented by all three ethnic groups during and after the war.

Recent efforts to address the return problem involved many aspects of the Bosnia peace operation. For example, in spring 1997 UNHCR, with support from the U.S. government, announced the "Open Cities" project that is designed to provide economic incentives to those areas that welcome and actively integrate refugees and displaced persons into local communities. In April, the Federation refugee minister provided UNHCR with a list of 25 cities and towns for participation in the project. As of mid-June 1997, UNHCR was evaluating the level of commitment of these and other communities that had indicated an interest in the project. According to a U.N. official, in early June the Republika Srpska Minister of Refugees was going to submit a list of nine cities in Republika Srpska that wanted to take part in the project. At the last minute, however, the minister was directed not to participate by Radovan Karadzic, who effectively retains control of Republika Srpska.

According to a State Department official, the U.S. embassy and UNHCR in early July 1997 officially recognized the first three communities to receive assistance under the "Open Cities" project. The U.S. government is also funding minority return programs in two other communities. Of these five communities, three are in Bosniak-controlled areas, one is in a Bosnian Croat-controlled area, and one is in Republika Srpska.

Progress in Rebuilding the Economy

Economic conditions have improved somewhat since the end of the war, particularly in the Federation. Economic reconstruction has begun, and about \$1.1 billion

³According to a UNHCR official, UNHCR has no estimates for returns of displaced persons in 1997; however, it has an informal target of 20,000–30,000 returns of displaced persons for the year.

⁴According to a UNHCR official, 23,000 refugees had returned to Bosnia from January through May 1997. This is much lower than UNHCR's target of about 57,000 refugee returns for that period.

in international assistance was disbursed in 1996 as part of the 3- to 4-year reconstruction program.⁵ Most of this money has gone to the Federation. The U.S. government, primarily through the U.S. Agency for International Development (USAID), committed \$294.4 million during the program's first year. This money went to, among other things, repair municipal infrastructure and services, provide small business loans, and give technical assistance for the development of national and Federation economic institutions. By the end of 1996, there were many signs of economic recovery, primarily in the Federation.

At the end of 1996, however, economic activity was still at a very low level, and much reconstruction work remained to be done. Furthermore, many key national and Federation economic institutions—such as Bosnia's central bank—were not yet fully functioning. The biggest obstacle to progress in economic reconstruction and economic institution building has been the lack of cooperation among Bosnia's political leaders in implementing infrastructure projects and economic institutions that would unite the ethnic groups within the Federation and across the two entities.

The international community has made many attempts to use economic assistance to encourage compliance and discourage noncompliance with the Dayton Agreement.⁶ For example, during 1996, according to a State Department official, all major bilateral donors had withheld economic assistance from Bosnian Serb-controlled areas because Bosnian Serb political leaders failed to comply with key human rights and other provisions of the Dayton Agreement. Further, on May 30, 1997, the Steering Board of the Peace Implementation Council, the organization that provides political guidance for the civilian aspects of the operation, reiterated previous Council statements on this issue, tied assistance for housing and local infrastructure to acceptance of returns, and gave priority to UNHCR's "Open Cities" project.

Moreover, an international donors' conference, originally planned to be held at the end of February 1997, was postponed because Bosnia's council of ministers had not yet adopted key economic laws. On June 19, 1997, the donors' conference was again postponed because the government of Bosnia, although it had made progress in passing economic laws, had not made sufficient progress toward developing an economic program with the International Monetary Fund. As of July 15, 1997, the donors' conference had not been rescheduled.⁷

Some international officials in Bosnia have questioned the effectiveness of threatening to withhold economic assistance from Bosnian Serb- and Croat-controlled areas in this conditional manner, partly because these areas have received little international assistance to date.⁸ According to a State Department official, when the U.S. government decided on its conditionality policy toward Republika Srpska, it knew from analysis that there would be no quick results from the denial of this assistance.

State now believes there is increasing evidence that elected officials of Republika Srpska are under mounting political pressure to make the necessary concessions to qualify for reconstruction assistance. In March 1997, State and USAID officials told us that some Bosnian Serb political leaders, including the President of Republika Srpska, had shown a willingness to accept economic assistance that includes conditions such as employing multiethnic work forces. These leaders, according to State, are willing to accept conditional assistance because they see the growing gap in economic recovery between the Federation and Republika Srpska. As of July 1997, there were no tangible results in this area, primarily because attempts to work with these leaders were blocked by Radovan Karadzic.

Issues Emphasized During June 1997 Visit to Bosnia

During our June 1997 visit to Bosnia, numerous U.S. and international officials involved in trying to help implement the Dayton Agreement emphasized four areas as being critically important to the agreement's success: (1) the urgent need to arrest Radovan Karadzic; (2) the upcoming municipal elections, specifically the poten-

⁵To support these goals, the government of Bosnia, with the assistance of the World Bank, the European Commission, the European Bank for Reconstruction and Development, and other international agencies and organizations, designed a 3- to 4-year, \$5.1-billion Priority Reconstruction Program. This program provided the international community with the framework for the economic reconstruction and integration of Bosnia. Fifty-nine donors—48 countries and 11 organizations—pledged \$1.9 billion for the 1996 economic reconstruction program.

⁶The Congress has placed conditions on some U.S. assistance. See, for example, Public Laws 104-107, section 584; 104-122; and 104-208, section 101(c), Title II.

⁷According to a State Department official, the International Monetary Fund favors holding the conference the week of July 21, 1997, but the date may slip to July 28 or 29, 1997.

⁸According to State officials, Bosnian Croat-controlled areas received little economic assistance to date because they suffered little war damage.

tially contentious installation of municipal governments in areas that had a different ethnic composition before the war; (3) the outcome of the arbitration decision over control of Brcko; and (4) the need for a continued international military force, along with a U.S. component, in Bosnia after SFOR's mission ends in June 1998.

Urgency of Arresting Radovan Karadzic

As we previously reported, in 1996 and 1997 the international community made some attempts to politically isolate Karadzic and remove him from power. For example, under pressure from the Organization for Security and Cooperation in Europe (OSCE) and the international community, Karadzic stepped down as the head of the ruling Bosnian Serb political party on July 18, 1996.

According to international observers, however, these efforts to remove Karadzic from power did not work; instead, he has effectively retained his control and grown in popularity among people in Republika Srpska. U.S. Information Agency polls showed that between April 1996 and January 1997, the percentage of Bosnian Serbs who viewed Karadzic very favorably increased from 31 percent to 56 percent, and the percentage who viewed him somewhat favorably or very favorably rose from 68 percent to 85 percent.

During our June 1997 fieldwork in Bosnia, many officials with whom we spoke were unequivocal in their opinion that Radovan Karadzic must be arrested or otherwise removed from the scene in Bosnia as soon as possible. They told us that Karadzic, a leader who is not accountable to the electorate, is blocking international efforts to work with the more "moderate" Bosnian Serb political leaders in implementing the Dayton Agreement. For example, he has not allowed other political leaders, including elected ones, to abide by agreements they have made with the international community on small-scale attempts to link the ethnic groups politically or economically. Observers also told us that Karadzic still controls Republika Srpska police and dominates Bosnian Serb political leaders through a "reign of terror."

According to a U.S. embassy official, the arrest of Karadzic is a necessary—but insufficient—step to allow Dayton institutions to function effectively and to encourage more moderate Bosnian Serbs to begin implementing some provisions of the Dayton Agreement. Although the arrest alone would not assure full implementation of Dayton, without the arrest Dayton would have almost no chance to succeed.

Issues Related to Municipal Elections

Bosnia's municipal elections are scheduled to be held on September 13 and 14, 1997. OSCE and other officials with whom we spoke were concerned about the volatile environment that will likely surround the installation of some newly elected municipal governments, specifically those in municipalities that had a different ethnic composition before the war. Because people will be able to vote where they lived in 1991, the election results in such municipalities could be very difficult to implement. For example, it is possible that a predominantly Bosniak council could be elected to Srebrenica, a city that had a prewar Bosniak-majority population but was "ethnically cleansed" by Serbs in 1995; and Bosnian Serbs could win the majority on the municipal council of Drvar, a town with a predominantly Serb majority before and during much of the war but now populated in large part by Bosnian Croats.

To address these potential "hotspots," an interagency working group led by OSCE is developing an election implementation plan for the municipal elections. An early version of this plan calls for a final certification that confirms which municipal councils have been duly installed by the end of 1997.⁹ This plan recognizes that candidates who win office must be able to travel to municipal council meetings and to move about their municipality without fear of physical attack or intimidation. It calls for local police to provide security for council members and for IPTF and SFOR to supervise the development of the security plan and, together with OSCE and other organizations, monitor its implementation.

According to OSCE and SFOR officials, SFOR's current force level of 33,000 will be augmented by 4,000–5,000 troops in Bosnia around the time of the municipal elections; it is unclear, however, what SFOR's force levels will be during the potentially contentious installation period. To support the augmentation, as of July 10, 1997, the Department of Defense (DOD) planned to increase the number of U.S.

⁹This plan calls for a two-step certification process for the election: a technical certification of the final election numbers and the final certification, on a municipality-by-municipality basis, confirming which municipal councils have been duly installed. The election process will close by the end of 1997. It will be followed by a post-election period during which an interagency monitoring and reporting structure would continue to monitor the proper functioning of municipal assemblies to ensure that elected candidates are able to carry out their duties as envisioned by the Dayton Agreement.

troops in Bosnia from about 8,000¹⁰ to about 10,250 during August and September 1997. According to a DOD official, on October 1, 1997, SFOR troop levels would be drawn down to either the current force level or a lower number, depending on decisions that may be reached before that date. OSCE and other officials in Bosnia told us that a further drawdown of SFOR below its current force level should not occur until the end of the installation process.

Outcome of Brcko Arbitration

Many international observers in Bosnia told us that the final arbitration decision on which ethnic group will control Brcko will likely be a major determinant of the ultimate success or failure of the Dayton Agreement. This decision will not be made until March 1998 at the earliest. Without a final decision, an interim supervisory administration will remain in Brcko. In June 1997, the High Representative, the coordinator of the civilian aspects of the peace operation, stated that Brcko will signal to the rest of the world the extent to which progress is being made in the implementation of the Dayton Agreement.

First, some background on the Brcko arbitration process. At Dayton, Bosnia's political leaders were unable to agree on which ethnic group would control the strategically important area in and around the city of Brcko. The Dayton Agreement instead called for an arbitration tribunal to decide this issue. At the end of the war, Brcko city was controlled by Bosnian Serb political leaders and populated predominantly by Serbs due to "ethnic cleansing" of prewar Muslims and Croats, who had then accounted for about 63 percent of the city's population, and settlement of Serb refugees there. We were told that an arbitration decision that awarded control of the area to either the Bosniaks or Bosnian Serbs¹¹ would lead to civil unrest and possibly restart the conflict because the location of Brcko makes it vitally important to both parties' respective interests.

In February 1997, the arbitration tribunal¹² decided to postpone a final decision as to which of the parties would control Brcko. Instead, the tribunal called for the designation of a supervisor under the auspices of the Office of the High Representative, who would establish an interim supervisory administration for the Brcko area. The tribunal decision noted that (1) the national and entity governments were not sufficiently mature to take on the responsibility of administering the city and (2) Republika Srpska's disregard of its Dayton implementation obligations in the Brcko area had kept tensions and instability at much higher levels than expected. On March 7, 1997, the Peace Implementation Council Steering Board announced that the High Representative had appointed a U.S. official as Brcko supervisor, and the interim supervisory administration began operating on April 11, 1997.¹³

The interim administration was designed to supervise the implementation of the civil provisions of the Dayton Agreement in coordination with SFOR, OSCE, IPTF, and other organizations in the Brcko area: specifically, it was to allow former Brcko residents to return to their homes, provide freedom of movement and other human rights throughout the area, give proper police protection to all citizens, encourage economic revitalization, and lay the foundation for local representative democratic government.

According to the Brcko supervisor, known as the Deputy High Representative for Brcko, the implementation process has just begun. The Deputy High Representative and his staff have been working hard and are developing a plan to return refugees and displaced persons in a phased and orderly manner, but progress will take a long time and be difficult. From January 1, 1997, through June 17, 1997, only 159 displaced families from the Bosnian Serb-controlled area of Brcko had returned to their prewar homes; all of these homes are located in the zone of separation. We were told that as many as 30,000 Bosniaks and Bosnian Croats were driven from their homes in what is now Serb-controlled Brcko. Further, freedom of movement does not yet exist in the area, primarily due to the fear that Bosniak and Bosnian Serb police have instilled in people from other ethnic groups. As in other parts of Republika Srpska, Bosnian Serb political leaders refuse to cooperate with IPTF in restructuring

¹⁰As of July 6, 1997, an additional 2,600 U.S. military personnel were also deployed to Croatia, Italy, and Hungary, in support of SFOR.

¹¹The parties to the arbitration are Bosnia's two entities, the Federation and Republika Srpska.

¹²The tribunal consisted of three members—an American, a Bosnian Serb, and a Bosniak. The American arbitrator was selected by the President of the International Court of Justice and was granted authority to issue rulings on his own, including a final award, if the tribunal could not reach consensus. Only the American member of the tribunal signed the decision.

¹³While the city of Brcko, the subject of the arbitration dispute, is located in Republika Srpska, the Brcko Supervisor's area of responsibility covers almost all of Brcko municipality, which extends across the interentity boundary line into the Federation.

ing their police in accordance with democratic policing standards. And the Deputy High Representative told us that he has no “carrots or sticks” either to reward compliance or punish non-compliance of the parties, particularly the Bosnian Serbs.

Brcko has also experienced implementation problems related to the upcoming municipal elections that go beyond those of other areas of Bosnia. For example, in June 1997 OSCE took action after it investigated cases of alleged voter registration fraud by Bosnian Serbs in Brcko. After finding that Bosnian Serbs were engaging in wholesale fraud, OSCE attempted to correct the situation by (1) firing the chairmen of the local election commission and voter registration center, (2) reregistering the entire Brcko population and political candidates, and (3) suspending and later re-opening and extending voter registration there, which ultimately ran from June 18 to July 12, 1997.

The interim supervisory administration is scheduled to operate for at least 1 year. The arbitration tribunal may make a further decision on the status of the Brcko area by March 15, 1998, if the parties request such action between December 1, 1997, and January 15, 1998.

Need for a Continued Military Presence in Bosnia

In December 1996, the North Atlantic Council, the body that provides political guidance to NATO, concluded that without a continuation of a NATO-led force in Bosnia, fighting would likely resume. Thus, NATO that month authorized a new 18-month mission, SFOR, which is about half the size of the previous Implementation Force. SFOR's mission is scheduled to end in June 1998. According to the SFOR operation plan, the desired NATO end state is an environment adequately secure for the “continued consolidation of the peace” without further need for NATO-led military forces in Bosnia. The plan lists four conditions that must be met for the desired end state objective to be realized:

- The political leaders of Bosnia's three ethnic groups must demonstrate a commitment to continue negotiations as the means to resolve political and military differences.
- Bosnia's established civil structures must be sufficiently mature to assume responsibilities for ensuring compliance with the Dayton Agreement.
- The political leaders of Bosnia's three ethnic groups must adhere on a sustained basis to the military requirements of the Dayton Agreement, including the virtual absence of violations or unauthorized military activities.
- Conditions must be established for the safe continuation of ongoing, nation-building activities.

The SFOR operation plan asserts that these objectives will be achieved by June 1998. However, international officials in Bosnia recently told us that the likelihood of these end-state objectives being met by June 1998 is exceedingly small. They based this projection on their assessments of the current pace of political and social change in Bosnia.

In their view, an international military force would be required after June 1998 to deter renewed hostilities after SFOR's mission ends. They said that to be credible and maintain international support, the force must be NATO led and include a U.S. military component, and it must be based in Bosnia rather than “over the horizon” in another country.

Many participants of the operation told us that without the security presence provided by such a follow-on force to SFOR, their organizations would be unable to operate in Bosnia; a U.N. official said that IPTF—which consists of unarmed, civilian police monitors—could not function and would leave Bosnia under those conditions. As one international official put it, the follow-on force—including a U.S. military presence—needs to be “around the corner” rather “over the horizon” to provide the general security environment in which the rest of the peace process could move forward.

U.S. Costs and Commitments Exceed Initial Estimates

The executive branch initially estimated that U.S. military and civilian participation in Bosnia would cost about \$3.2 billion through fiscal year 1997: \$2.5 billion in incremental costs for military-related operations and \$670 million for the civilian sector.¹⁴ These estimates assumed that U.S. military forces would be withdrawn

¹⁴DOD costs are incremental costs; that is, they are costs that would not have been incurred if it were not for the Bosnia operation. For a more detailed discussion of DOD's costs estimates and costs see *Bosnia: Costs Are Uncertain but Seem Likely to Exceed DOD's Estimate* (GAO/NSIAD-96-120BR, Mar. 14, 1996); and *Bosnia: Costs Are Exceeding DOD's Estimate* (GAO/NSIAD-96-204BR, July 25, 1996).

from Bosnia when the mission of NATO's Implementation Force ended in December 1996.

The executive branch's current cost estimate for fiscal years 1996 and 1997 is about \$5.9 billion: about \$5 billion in incremental costs for military-related operations and about \$950 million for the civilian sector. Almost all of the increase was due to the decision to extend the U.S. military presence in and around Bosnia through June 1998. In fiscal year 1998, the United States plans to commit about \$1.9 billion for the Bosnia peace operation: about \$1.5 billion for military operations¹⁵ and \$371 million for civilian activities.

Under current estimates, which assume that the U.S. military participation in Bosnia will end by June 1998, the United States will provide a total of about \$7.8 billion for military and civilian support to the operation from fiscal year 1996 to 1998. Some State and Defense Department officials agreed that an international military force will likely be required in Bosnia after June 1998. U.S. participation in such an effort could push the final cost significantly higher than the current \$7.8 billion estimate.

Mr. Chairman and Members of the Subcommittee this concludes my prepared remarks. I would be pleased to respond to any questions you may have.

[The report to which Mr. Johnson referred, *Bosnia Peace Operation: Progress Toward Achieving the Dayton Agreement's Goals* (GAO/NSIAD-97-132), is available from the General Accounting Office and also on the Internet at <http://www.gao.gov>]

Senator SMITH. Thank you very much.

I just have a question, and any of you can answer it if you have an opinion. I think the administration put a lot of stock in the hope of Radovan Karadzic. But it did not seem to.

He seems to have held on to power and perhaps consolidated it in some way. Was the administration naive in believing that? And, number two, how does he hold on to his power no matter what the elections show?

Mr. JOHNSON. Well, we were told that he holds on to his power by using a reign of terror. He controls the police force in the Republic of Srpska. And by using those levers, as well as other financial levers that he has available, he is able to retain power.

He also enjoys some popular support among the Bosnian Serbs. A poll that was taken, I believe, in July of last year indicated that he had about 36 percent very strong support. That has since increased to about 56 percent. So he does enjoy some popular support, but primarily his control is by strong-arm tactics.

Senator SMITH. Ambassador.

Ambassador ABRAMOWITZ. Well, on the elections, Senator, I was always troubled by the elections. I always felt that we should have taken a principled position. The elections were fraudulent, by and large, and they produced the results in which the basic nationalist leadership were confirmed in their positions.

However, there are other factors. The Administration felt that it was important to start the process, partially because they felt there were pressures from here and from elsewhere to get out. And they felt it was important to start the process.

I think, personally, that was a mistake. I think it would have been better to have persisted in a position in which the elections had to be free and fair. They were acknowledged not to be free and fair. But, nevertheless, that is water over the dam right now.

¹⁵DOD estimated its costs could increase by about \$160 million if the United States maintained an 8,500 force level through June 1998, rather than being drawn down to 5,000 on October 1, 1997, as assumed in current cost estimates.

I did want to correct, if I may, an impression I might have created. I think the changes on seizing indicted war criminals and the more fulsome way of dealing with Croatia are very positive steps, and I support them. I was simply trying to correct my unhappiness with a record on war criminals that seems to be discussed publicly from time to time.

As to Karadzic's power, I think it stems much from the same reasons that were set forth. He controls the police, he has the money and pays them, he controls the legislature and parliament. And he is a popular figure. There is a lot of support for him still in Bosnia.

Senator SMITH. If he were removed, what would happen, in your view?

Ambassador ABRAMOWITZ. I think if he were removed, two things I think would happen, although I cannot be sure. It is very uncertain.

Senator SMITH. Sure.

Ambassador ABRAMOWITZ. One, I think there would be a very significant psychological shift in terms of the willingness to cooperate with Dayton. And second, I think it would be much easier to get a new leadership which would embody that willingness to cooperate.

I do not mean to say we are going to get a desire to have an integrated multiethnic state, but we would get a desire to cooperate with a Bosnian entity, to be part of a Bosnian entity, and to begin the process of serious reconciliation.

I believe the process of reconciliation is terribly impeded by the existence of Karadzic and company.

Mr. HEFFERNAN. Just to add one thing, I think the role of media has played a very significant role in him being able to retain his power too. Obviously it is controlled by the State, and he is the State at this point.

Senator SMITH. And because of that fact, how realistic is it to think that more elections will be beneficial, the municipal ones that are anticipated? If he controls the media, will they not determine the outcome?

Ambassador ABRAMOWITZ. Well, I think Mr. Heffernan was correct about the importance of the media. And we have been, I think, insufficiently diligent in trying to change that.

I also believe, for example, in making our case to the Srpska Republic we have also been remiss. We have done very little in explaining why we are going after war criminals, what it means, and the rationale for this. And I believe SFOR and the U.S. Government should have early on put on a more massive campaign to explain to the people of Srpska what is involved here.

Senator SMITH. I bet Joe Biden and I could figure out some pretty good negative ads to run against this guy.

Senator Biden.

Senator BIDEN. Mr. Chairman. First, I want to thank all of you for being here.

I must admit, Mr. Ambassador, I have not read the report that I think was issued yesterday by your organization. I am looking forward to it.

You said two things that I found particularly fascinating. You said—and I suspect I saw your colleagues sort of nod their heads.

I think they are in agreement, but I do not want to put words in their mouth.

How does Karadzic keep control of the police? You indicated part of it was money. Where do you think he gets his money? He was not born wealthy.

Ambassador ABRAMOWITZ. Well, according to Mrs. Plavsic, who made a remarkable speech, and I would urge you all to read it, he controls most of the monopolies, cigarettes, gasoline, and the like that are sold in Srpska. And there is an enormous rake-off in terms of pricing. I cannot give you—

Senator SMITH. No, no. I—

Ambassador ABRAMOWITZ. I am merely repeating what Mrs. Plavsic said 2 weeks ago.

Senator SMITH. No, I am not taking issue with it. I think it is important to be on the record. Second, what was amazing to me—second, we at the outset, when the former Yugoslavia made a split, when Bosnia and Herzegovina was recognized in the international community and problems began, there was no doubt in my mind, and I suspect in each of your minds, that Milosevic was a major player in facilitating—I will put it another way.

Had there been no Milosevic, had there been a responsible leader in Serbia who did not embolden, supply, maintain, give physical support and military support for, I doubt whether we would have ever gotten to the point we are now.

So the haunting question for guys like me who, I must admit, sometimes my judgment may be blurred because of my vision, my view, my opinion of Milosevic. How involved, how important is this Serbian, meaning the country of Serbia, the Serbian connection in the ability of these war criminals and their supporters in the Republika Srpska and elsewhere in Bosnia and Herzegovina to continue to survive and wield the power that we have all acknowledged they continue to wield? Being a cog in the wheel, what part does, if you have an opinion, Milosevic play at this moment?

Ambassador ABRAMOWITZ. It is very difficult for me to answer that, and I can only really speculate. I think the most tangible involvement probably is the support of the Yugoslav army for the military of Srpska.

They pay most of the salaries, I believe. Certainly during the way they supplied most of the ammunition and most of the support. That is one thing.

Second, we also know that although there have been very significant differences between Milosevic and Karadzic—I personally do not know what the state of their relations is right now—Milosevic has a big influence in the Srpska political scene.

The nature of that influence, I cannot really say. But everybody knows that he is a significant figure, although in trying to broker a meeting between Pale and Banja Luka, he was unsuccessful.

Third, in a larger sense, if there was no Serbia, Srpska could not exist. It just could not exist. It would have to make its peace with Bosnia and Herzegovina and be part of that state. I am talking of a Serbia that is highly nationalist, that still is interested in preserving an ethnic relationship with its neighboring Serbs, although less so than years ago because, after all, the principal thing that

changed the Bosnian situation, as you know, was the Croatian military offensive. That changed everything.

Senator BIDEN. Exactly right.

Ambassador ABRAMOWITZ. That led to Dayton.

Senator BIDEN. Exactly right.

Ambassador ABRAMOWITZ. That particular development. And Milosevic abandoned the Croatian Serbs, leading to so many refugees in Serbia as well as in Srpska. And he has been hurt in part because of this. Nevertheless, the overall power of Serbia is still a major factor in——

Senator BIDEN. One of the disappointing conclusions that I have reached is that the political difficulty Milosevic was having within Serbia, seems to have moderated of late. The people providing that difficulty, I assumed, I hoped at the outset, were not nationalists with the same ultra-nationalism that he represents.

And the thing that disappointed me as I was attempting to, and others, embolden the administration to provide at least some credibility for the opposition, was the conclusion I reached that I was not sure there was much of a difference.

As old George Wallace used to say, and we are both old enough to remember the phrase, "There ain't a dime's worth of difference."

He was talking about the two political parties. There may have been a quarter's worth of difference, but there did not seem to be a dollars worth of difference between the opposition forces and Milosevic, which leads me to the last question I have for you, Mr. Ambassador. But then I would like to hear from your two colleagues.

That is, what leverage, if any, do you think, and maybe your report speaks to this, I do not know, what leverage do you think remains of our power to exert on Serbia?

Because, as you point out, were there not a nationalistic Serbia, regardless of whether there is a Milosevic adding injury at this moment or anyone else, it would be virtually impossible for the Republic of Srpska to continue to be as obstreperous and counter-productive as they have been for a whole range of reasons.

Is there any additional pressure we are capable of exerting to bring about a more civilized behavior, enlightened behavior, on the part of Serbia?

Ambassador ABRAMOWITZ. Before I try to answer that, let me just observe that Milosevic's nationalism was a highly cynical nationalism. I do not know his genuine feelings, but he clearly was using——

Senator BIDEN. Absolutely.

Ambassador ABRAMOWITZ.—Serbian nationalism to advance his goals. He dropped it in the years 1993, 1994, 1995. Where he stands now, I do not know.

And he clearly, as far as I am concerned, has not been very helpful since Dayton in terms of helping to carry out the provisions of Dayton, whether from war criminals to encouraging Republika Srpska to get the people to cooperate.

The leverage we have is, I think, still very great if we can unite the world on it. And by uniting the world, I mean our allies who, after all, have always been split on this issue.

We have always had a split with our allies as to how to deal with Serbia. And there are a number of allies who have wanted to, in the past few years, sort of make their peace with Serbia, give them the benefit of the doubt, *et cetera*.

I believe that the biggest method we have—and it is hard to measure when it will be effective. Obviously I do not know—the biggest method we have is the continued sanctions on Serbia, the continued isolation.

The thing that bothers me most about the events of November in Serbia is I think Milos has been a terrible drain on Serbia. And we need a strong Serbia, and we need a dynamic and progressive Serbia. He has brought this country to——

Senator BIDEN. I understand.

Ambassador ABRAMOWITZ. The problem was, I felt, that we did not take advantage, no matter how divided some of the opposition was, we did not take advantage of that enormous opportunity to make better use the media. And it might not have worked, but all that we had to try to make his position more untenable. I think that was a terrible, terrible mistake.

Senator BIDEN. So do I. The reason I mentioned what I said about the opposition was that I was making a case to anyone who would listen. It was undercut by the fact they were able to convince some of the opposition through their actions, attitudes, speeches, statements, and state policies. So it was not as if I had total high ground to make the case. I was not suggesting that we still should not have done it anyway. I believe we still should have done it.

As a matter of fact, as bizarre as it sounds, there are folks around here trying to eliminate Radio Free Europe or Radio Liberty.

One of the things I think we should be using, and we could be using a hell of a lot more, are radios in Serbia, as well as Croatia, I might add, for the same reason but with a different message.

So I share your view and your frustration. But I am taking too much time here.

Would either of you gentlemen like to comment on the areas I have raised with the Ambassador? Otherwise, I will come back after the Chairman finishes.

Mr. JOHNSON. I will just make one comment on the initial question you asked about the relationship between Pale and Belgrade. We heard from fairly high levels at the embassy that decisions that are made in Banja Luka run to Pale, and then they run to Belgrade.

I would also point out that Mrs. Plavsic was detained in Belgrade, so that would indicate to me that there is some linkage between Milosevic and Karadzic, at least for the moment.

Senator BIDEN. Unless something has changed drastically, and I realize this is anecdotal, but in my first trip to Bosnia, I spent a lot of time, meaning several hours, in a private meeting with Milosevic in Belgrade, well into the night.

And if you have ever been to his office, there is a very small conference table. It is one-third of the size of that and a little more narrow. He sat on one side of that table and me on the other and a staffer, and he had two people with him.

And literally until 11 o'clock at night we were arguing with one another about what he was doing or not doing, and we were not making much progress. And he kept saying, Mr. Karadzic is the one you have to speak to. But I have no control over him. I have no control over him.

So literally, not figuratively, but literally, at about 10 minutes of 11 he said, "Do you want to speak to Karadzic?"

And I said yes. With that, he got up and walked two paces to a phone behind him on a corner table, picked up the phone, said something in Croatian, which I did not understand, said something.

He sat back down, and we continued our meeting, or argument I guess it was. And literally, Mr. Chairman, 15 minutes later, you can hear them coming up the steps, some of them running up the steps.

And I must tell you, for a moment I sort of braced myself. And then around the corner comes that fellow who we have all come to know with that full head of hair, the only thing he has that I think is worth having.

And then he sat down at the table. I thought he was going to have a heart attack he was so out of breath.

And he said, "Mr. President, I'm sorry," speaking English, "I'm sorry I'm late. I didn't mean it."

So I looked across at Milosevic, who is a very short guy, and I said, "No control."

And I realize that is anecdotal, and I realize I cannot from that conclude with certainty that there is still a relationship where there is no doubt who is the boss. But at that time there was no question. We know the connection has been sustained for a long time. And Mr. Karadzic knows what is in store for him.

My view—and this is the last comment I will make and ask any of you to comment on it—it is not surprising. It would have been a travesty had Karadzic not been indicted. And he knew from the outset 4 years ago he would be branded a war criminal unless he totally succeeded.

We sat in that room, and I looked at him and I said, "Mr. Karadzic, it is a pleasure to meet you. Your voice sounds exactly like it does on those tapes."

He looked at me and said, "What tapes?"

And I said, "The directions you gave to the death and rape camps."

And I am not exaggerating when I say he turned as white as that sheet.

And I said, "So it is a pleasure to see you in person."

This is a case where the tape and the voice match. And so I am of the view that because he knows that if in fact he is captured, if there is ever a case that is going to be able to be made, it will be made against him. The longer he is out there, the more dangerous it is.

This is not a guy who is going to go quietly into the night. There is nothing he is going to be able to negotiate if he ever gets to the Hague.

Ambassador ABRAMOWITZ. But there is also another factor, and that is he probably has a very good case against Milosevic.

Senator BIDEN. Absolutely.

Ambassador ABRAMOWITZ. And, therefore, for Milosevic to seize him is a potentially a very dangerous thing.

Senator BIDEN. You just answered the question I was going to ask. I do not think there is any possibility of that occurring. There is a risk to American personnel, but I know of no other answer than to use whatever capacity we collectively have and arrest him.

Does anyone disagree with that?

How would you assess the risk? I realize this is crystal ball gazing. I mean, who knows. But do any of you have any comment you would like to make on that?

And then I will stop, Mr. Chairman.

Ambassador ABRAMOWITZ. I cannot fully—I cannot even partially assess the risks. But I think there are a number of things here that would cause a certain amount of caution on the Serb part.

One, NATO has the capacity, with all of their weapons, or most of their weapons in storage sites, to destroy the capabilities of the Serbian army, their whole capacity to fight. That would be an extraordinary blow to the confidence of the Serbs, and that is one thing.

Second, you know, conversely—

Senator BIDEN. You mean the J and A now.

Ambassador ABRAMOWITZ. No. I am talking about the—

Senator BIDEN. The Bosnians.

Ambassador ABRAMOWITZ.—Bosnian Serb. They are all in Cantonments.

Senator BIDEN. No. I got it. They could destroy—

Ambassador ABRAMOWITZ. They will destroy it. The second thing that strikes me is that, as I say, in a perverse way, Bosnian Serbs need us—the balance of forces is a little different.

And if hostilities were to emerge, they would for the first time be at very great military risk. I am not saying that the Muslim side is eager for a fight, but there is a difference in capabilities from before.

Senator BIDEN. I think you are right.

Ambassador ABRAMOWITZ. And they would be at great risk. That does not mean they will not try retaliation, it does not mean—but there are limits, I believe, serious limits as to what they can do.

Now, that requires a lot of fortitude on our side. It is a risk. It is not only a risk to people, it is a political risk. But I also believe there is a terribly important political moral case to go after him.

Senator BIDEN. I do, too. And I think failure to take the risk almost guarantees an outcome where the cost will be even higher. I mean, in a purely selfish American sense the cost is higher, as well as clearly the cost is higher on the ground.

And I think, quite frankly, Mr. Ambassador, we are talking about expanding NATO. My friend and I have been deeply involved in that process with the administration. I think were this to come a cropper, you can begin to say goodbye to NATO.

I thank you, Mr. Chairman, for allowing me so much time.

Senator SMITH. That is fine.

I only have a final question, Mr. Ambassador. I wonder in your view does the presence of Croatia and Serbia have any real control over the Croat and Serbian areas of Bosnia?

Ambassador ABRAMOWITZ. Absolutely.

Senator SMITH. Do they have sufficient—

Ambassador ABRAMOWITZ. The whole Croatian, the whole Herzeg/Bosnia thing is underwritten by Zagreb. The defense minister went to the funeral of Mate Babich, the Bosnian Croat leader.

And he said, "We will continue"—Defense Minister Shoshak of Zagreb, said, "We will continue to carry out his ideals."

And his ideals were an ethnic Croatian state. There is no question in my mind that Tudjman, President Tudjman, if he wanted to do something, one, on indicted war criminals, and two, to enlist a greater collaboration from the Croatian population of Bosnia with the other ethnic elements of Bosnia, could encourage it enormously. I have no doubt about that.

Senator SMITH. So if those ideals included the Dayton Accords, they could implement the Dayton Accords.

Ambassador ABRAMOWITZ. I think Croatia has a big role in implementing the Dayton Accords, which is why I believe it is important not to let them escape that responsibility and to use the financial club over their heads.

Senator SMITH. That is my point. I thank you.

Senator BIDEN. Mr. Chairman, can I make one parting comment to my three colleagues?

Senator SMITH. Yes.

Senator BIDEN. And I want to introduce two Delawareans that are here. They do not expect me to do this, they do not even know that I know they are here.

But Ms. Kingsley and Mr. Fisher, they moderated a debate on this issue last fall at the University of Delaware, and both of them were OSCE observers, if I am not mistaken, in Bosnia. And I am glad to see them both here.

Excuse the parochial recognition, but it is nice to have, at least from my parochial perspective, some very informed people in my home state so that not everyone thinks I am crazy.

And, second, do any of you—I am going to state a proposition, and I would just like your comment. It seems to me that in order for us to manage the apprehension of Serbian war criminals and marginally at least diminish the negative consequences from that, we should aggressively move on Croatia war criminals.

There are indicted Croatian war criminals, who as you point out, Mr. Ambassador, Tudjman could easily, easily facilitate delivery.

And I hope this policy is a policy of moving on war criminals. And if it is, I sincerely hope that there is some political thought given to the need to demonstrate that this is not merely an attempt to punish Serbian war criminals. There were war criminals in all three factions, I would argue overwhelmingly in the Serbian sector. But they should move.

And, Mr. Johnson, it does not surprise me that you would hear international observers and/or any of our NATO allies indicating that there would be no credibility for a follow-on force that did not include American forces even if they were stationed in Hungary and Italy.

But if they examine what they have said and that is true, it is fascinating for Europeans to acknowledge they have no credibility and NATO has no credibility, if that is what it would be saying.

And I make a prediction to you, which is a dangerous thing to do in this outfit, but if in fact there is no follow-on force that is complemented by U.S. strategic, logistical, tactical, air, naval and a rapid deployment force capability, if that combination, or something close to that, is not left in place at the end of next year, I think this will all have been for naught.

And I would argue, and I hope it will not be true, but our ability—we happen to support the expansion of NATO—would be significantly, significantly diminished here.

People have vastly underestimated, but vastly underestimated, how difficult it will be to get the votes to amend the Washington Treaty.

If all in/all out is the policy and things begin to blow, a lot of people, and not just the American public but in this body, will say, “What is the value of NATO? Why are we going to pay \$200 million a year more when these folks cannot even take care of their own backyard with our overwhelming support.”

But I really hope, Mr. Johnson, that the President puts together something very close to that. And I am one who thinks we should not get out, one of only a few. But there better be NATO forces there at the end of the day or we have a problem.

Senator SMITH. Gentlemen, we thank you all for your participation in this hearing. And for the record let me state that Senator Lautenberg would like to submit a statement for the record.

So it will be held open for him to do that if there is no objection. And also for other Senators who may not be here but wish to ask a question, the record will be left open for them for 3 days.

[The prepared statement of Senator Lautenberg follows:]

PREPARED STATEMENT OF HON. FRANK R. LAUTENBERG, U.S. SENATOR FROM NEW JERSEY

I commend the Chairman and Ranking Member for holding this hearing. I welcome the opportunity to share my views about compliance with the Dayton Accords in Bosnia, particularly aspects related to the apprehension and prosecution of indicted war criminals.

As a result of the horrifying extent of war crimes committed before and during the war in Bosnia, the U.N. Security Council, in May of 1993, created the International Criminal Tribunal for the former Yugoslavia (ICTY). One of only four international war crimes tribunals ever established, its mandate is to prosecute “genocide, crimes against humanity, grave breaches of the Geneva Conventions, and violations of the laws and customs of war” committed in the territory of the former Yugoslavia beginning on January 1, 1991.

When the parties to the conflict in the former Yugoslavia signed the Dayton Peace Agreement, they recognized that reconciliation could not occur unless war criminals were brought to justice. As such, they agreed to cooperate fully with the investigation and prosecution of war crimes and other violations of international humanitarian law.

With the exception of the Bosnian Muslims, however, the parties to the Dayton Peace agreement have failed to arrest and transfer to the Tribunal the vast majority of indicted war criminals in territory within their control. Until the recent arrests of Milan Kovacevic, a Bosnian Serb accused of sending thousands of Muslims to certain torture and death in concentration camps in the former Yugoslavia, and Slavko Dokmanovic, accused of participating in a massacre of 261 civilians in a hospital in Vukovar, only one indicted war criminal had been sent to the Tribunal in The Hague in the last year by regional authorities. Sixty-six of the original 74 known fugitives remain at large. At this rate, it would take another 66 years to put the remaining publicly indicted war criminals behind bars.

Where are these and other war criminals finding sanctuary?

Many of the indicted war criminals have been sighted living openly and freely in Croatia, the Croat-controlled areas of the Federation of Bosnia and Herzegovina, the Republika Srpska, and the Federal Republic of Yugoslavia (Serbia-Montenegro).

Last fall, one non-governmental organization, the Coalition for International Justice, compiled a list of all public sightings of war criminals. For example, according to the Coalition's research, Dario Kordic, one of the most widely recognized war criminals in the former Yugoslavia for his role in killings in Lasva Valley, was seen visiting his parents' apartment in Zagreb, Croatia. About the same time, Ivica Rajic, another highly sought after war criminal, was reportedly seen in a hotel in Split, Croatia.

The list of public sightings of indicted war criminals goes on and on. *Associated Press* correspondent Liam McDowall reportedly located six Bosnian Croats indicted for war crimes living and working in the Bosnian Croat town of Vitez. And in perhaps the most egregious case to date, *Boston Globe* reporter Elizabeth Neuffer reportedly found Željko Mejakic—indicted for crimes committed as commander of Omarska camp where some 4,000 people were tortured to death and women were brutally raped—working as the deputy commander of the Prijedor police station in Republika Srpska.

This list may not be entirely up to date now, but it illustrates graphically that many of the indicted war criminals could have been arrested easily if the authorities in control of the territory where they were located had chosen to do so. I believe that is still the case today.

I appreciate the fact that the act of apprehending and transferring indicted war criminals to The Hague presents a thorny problem for the international community. While some argue that American and NATO military personnel should plunge in and make the arrests, others argue that using NATO troops to arrest these indicted war criminals would be fraught with difficulties that could put American and other NATO troops in unnecessary danger.

Discussions about the role NATO troops will play have been underway in the apprehension of war criminals since NATO troops landed in the region a year and a half ago. Although British NATO troops did recently arrest a war criminal, 66 publicly indicted criminals continue to roam the region with impunity. Meanwhile, the clock ticks ever closer to the June 1998 withdrawal date for NATO. Make no mistake about it: if war criminals remain at large when NATO troops withdraw, long-term peace will be jeopardized. The apprehension of war criminals is essential for reconciliation to occur.

While the international community continues to debate the wisdom of using NATO troops to apprehend war criminals, it must not fail to use economic assistance as leverage to secure the arrest of these fugitives.

Secretary Albright has rightly concluded that the international community should condition economic assistance on cooperation with the War Crimes Tribunal. In late May, she was right to announce aboard the *U.S.S. Intrepid* that "we have made compliance by all parties with the obligation to cooperate with the Tribunal a prerequisite to our assistance . . ." The U.S. must insist that authorities in the region make substantial progress toward arresting and transferring indicted war criminals if the international funding spigot is to continue flowing. Billions of dollars in assistance is powerful leverage, and the United States would be wise to use it effectively.

But tough talk needs to be followed by tough action. On May 13, the U.S. sent the wrong signal when it rewarded the Croatian government with a \$95 million World Bank enterprise and financial sector adjustment loan. Less than a month later, on June 10, the Administration voted in favor of a \$13 million loan for a Croatian cement factory at the World Bank's International Finance Corporation despite the fact that none of the 13 Croat war criminals at large were arrested. The two votes were a setback for U.S. policy in Europe. To its credit, the Administration did postpone votes on the most recent proposals for aid to Croatia at the World Bank and the International Monetary Fund, albeit under significant and persistent pressure from the Congress.

Clearly, we need a law to block assistance to countries that fail to arrest indicted war criminals. The U.S. must step forward and assert greater leadership and a more consistent policy in this area. To promote this stronger U.S. role, Senators Leahy, Lugar, Feinstein, Mikulski, Murray, Moynihan, D'Amato, and Lieberman, and I introduced legislation, S. 804, on May 23, 1997 to condition foreign aid to countries that provide sanctuary to indicted war criminals who are sought for prosecution by the War Crimes Tribunal. Senator McConnell, Chairman of the Foreign Operations Appropriations Subcommittee, included our legislation in the Foreign Operations Appropriations bill for fiscal year 1998, which was reported by the Appropriations Committee on June 24, 1997.

Our legislation, S. 804, reinforces the obligation of the parties to the Dayton Agreement to arrest and transfer those indicted for genocide, rape, and other crimes against humanity to The Hague. To secure their cooperation, it imposes conditions on America's portion of the \$5.1 billion in economic reconstruction funding to Bosnia and Herzegovina.

Under our legislation, regional authorities must meet a simple standard. They must immediately arrest a majority of indicted war criminals living in areas under their control, and within six more months, they must arrest all war criminals. Failure to cooperate and pass this test will result in an immediate suspension of U.S. support for bilateral aid and multilateral aid. To give the U.S. government carrots as well as sticks, the legislation allows for humanitarian and democracy building assistance.

Our legislation recognizes that even the parties to the Dayton Agreement may find it difficult to apprehend all indicted war criminals immediately, and therefore does not require them to complete the process all at once. Once a majority of the war criminals have been arrested and turned over, they are given up to six months to finish the job.

Because our goal is to promote greater cooperation and provide carrots, democratic and humanitarian assistance would still be provided even in sanctioned countries or entities. Humanitarian assistance is defined to include food and disaster assistance and assistance for demining, refugees, education, health care, social services, and housing. Democratization assistance includes electoral assistance and assistance used in establishing the institutions of a democratic and civil society, including police training.

However, assistance for projects in communities in which local authorities are harboring criminals or preventing refugees from returning home would be strictly limited to emergency food and medical assistance and demining assistance. And absolutely no assistance—humanitarian or otherwise—could be provided to projects or organizations in which an indicted war criminal is affiliated or has a financial interest. These provisions are important to ensure that our assistance is not being used to prop up war criminals and that only communities that allow refugees to return are rewarded with assistance.

Our legislation recognizes that the realities of government control in the former Yugoslavia do not always conform to the arrangements in the Dayton Agreement. Recognizing that a constituent entity of Bosnia and Herzegovina may not control all areas within its border, and that Croatia or Serbia may have effective control of territory that reaches beyond their borders, the legislation holds a government or constituent entity responsible for indicted war criminals "in territory that is under their effective control." As such, the legislation is not meant to impose sanctions on the Muslim-Croat Federation as a whole if an indicted war criminal remains in a Croat-controlled area of the Federation. Likewise, it would allow sanctions to be imposed against a country, such as Croatia, for failing to secure the apprehension of war criminals in areas of the Federation which it effectively controls.

These measures are not intended to be punitive. I and the sponsors of this legislation have made every effort to ensure that humanitarian assistance to the people in all parts of the former Yugoslavia will not be affected. While we do not oppose reconstruction funding, we believe there is value in using it as a carrot, to provide an incentive to the parties to arrest and turn war criminals over to the Tribunal.

I and the cosponsors of S. 804 are not alone in this view. Our legislation has been endorsed by the Coalition for International Justice, Human Rights Watch, Physicians for Human Rights, Action Council for Peace in the Balkans, and the International Human Rights Law Group.

U.S. and international aid can help rebuild roads, bridges, and power grids. But money alone cannot heal the deep wounds that divide communities and perpetuate the cycle of hatred. Only reconciliation through justice will heal those wounds. Unless war criminals are brought to justice, reconciliation in Bosnia and Herzegovina will remain an elusive goal.

The *Washington Post*, in a February 1997 editorial, said it well: "U.S. forces [cannot] fulfill their mission—bringing peace to Bosnia—as long as war criminals remain at large. Lately, it has become popular to focus on economic reconstruction as the answer to Bosnia's troubles. But war didn't break out for economic reasons, and economic aid alone can't secure the peace. As long as alleged war criminal Radovan Karadzic and his henchmen run things from behind the scenes, economic aid actually will flow to the criminals. . . ."

Peace will not be permanent in Bosnia if the War Crimes Tribunal cannot complete its work. Future stability and economic growth depends, in part, upon the repatriation of refugees. Yet the ability of refugees to return home and resume normal lives will be fostered only if the war criminals who perpetuated terror, intimidation,

and violence are brought to justice. That end can only be achieved when war criminals are arrested.

If we accept the premise that American foreign aid should promote our nation's long-term foreign policy goals, we must deny assistance to governments that have failed to cooperate with the War Crimes Tribunal. Leveraging aid moves the U.S. closer to justice for the victims of genocide, rape, torture, and other war crimes. And it meets our humanitarian responsibility to never again allow war crimes and genocide to go unpunished.

No one has articulated the need for this legislation as well as Justice Goldstone, Former Chief Prosecutor of the International Criminal Tribunals for the Former Yugoslavia and Rwanda when he spoke at the U.S. Holocaust Memorial Museum in January of 1997: "Where there have been egregious human rights violations that have been unaccounted for, where there has been no justice, where the victims have not received any acknowledgment, where they have been forgotten, where there's been a national amnesia, the effect is a cancer in the society. It's the reason that explains ... spirals of violence that the world has seen in the former Yugoslavia for centuries. ..."

Justice Goldstone was right. What is required is a genuine process of reconciliation, which can never occur unless war criminals are brought to justice. Without reconciliation, the spiral of violence will only continue, and the military mission on which the American taxpayers have literally spent billions will be for naught.

America stands for justice and reconciliation throughout the world. We must stand up for those principles by ensuring that the war criminals of Bosnia are apprehended and the victims are heard.

Senator SMITH. If there is no objection, we are adjourned.
[Whereupon, at 4:45 p.m., the hearing was adjourned.]